



31761 03562 2752

# HONG KONG

---

A SHORT HISTORY OF THE COLONY  
AND AN OUTLINE OF THE PRESENT  
POLITICAL SITUATION IN CHINA.

---

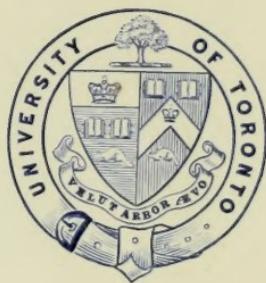
THIRD EDITION. REVISED

---

PUBLISHED BY  
THE PUBLICITY BUREAU FOR  
SOUTH CHINA, HONG KONG

PRINTED BY  
THE LOCAL PRINTING PRESS, LTD.,  
HONG KONG.

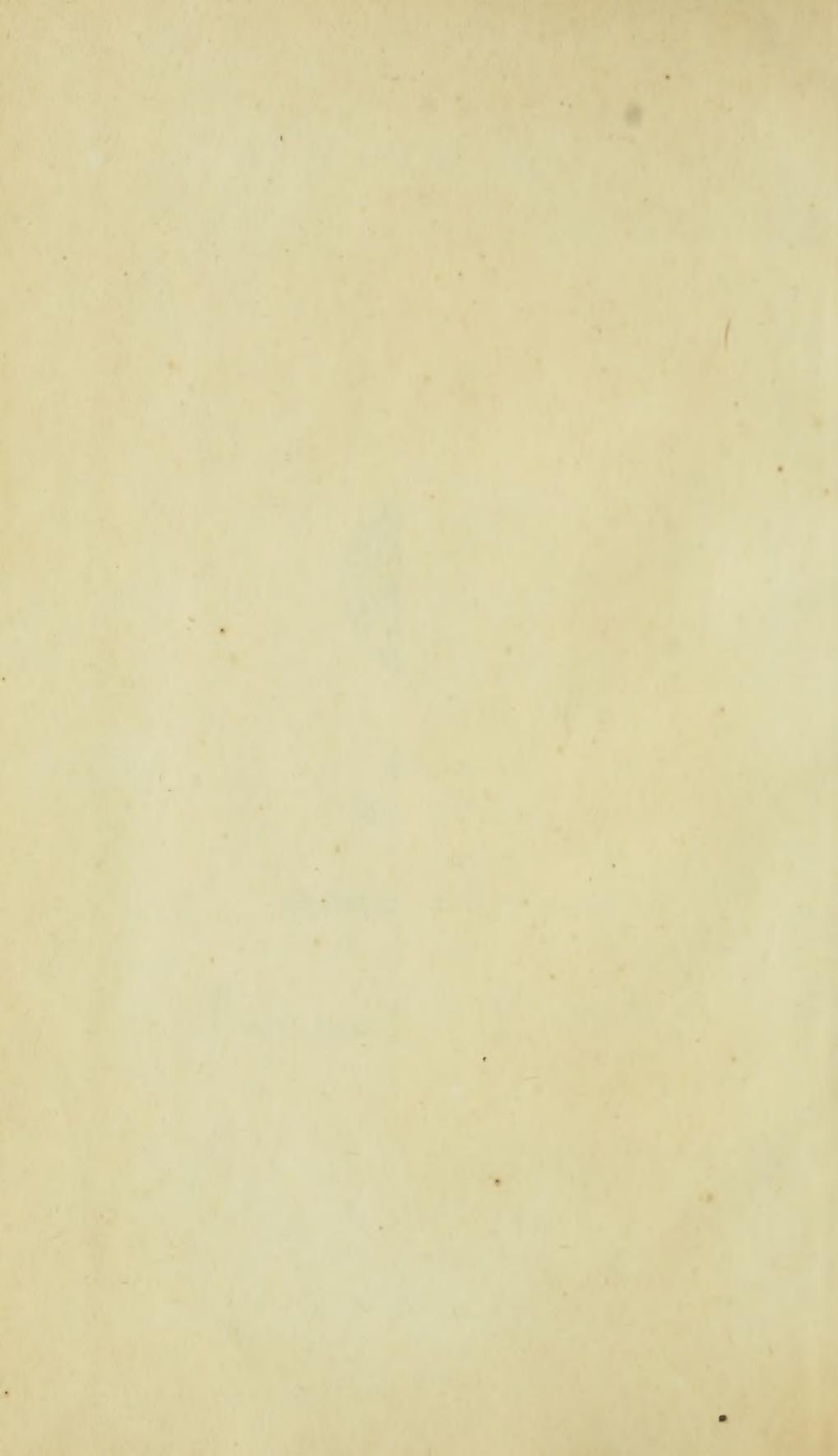
HCh  
M111h  
c.1  
ROBA



Presented to  
The Library  
of the  
University of Toronto  
by  
Professor N. A. MacKenzie.



Digitized by the Internet Archive  
in 2010 with funding from  
University of Toronto



HCh  
M111h

# HONG KONG

---

A SHORT HISTORY OF THE COLONY  
AND AN OUTLINE OF THE PRESENT  
POLITICAL SITUATION IN CHINA.

by

---

[A.G.M.]

THIRD EDITION. REVISED

---

24.2.30  
22.3.30

PUBLISHED BY  
THE PUBLICITY BUREAU FOR  
SOUTH CHINA, HONG KONG

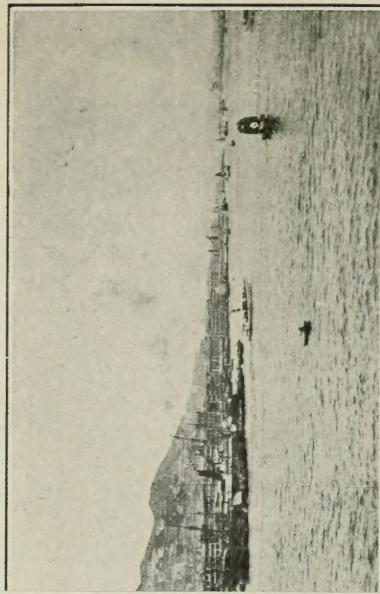
PRINTED BY  
THE LOCAL PRINTING PRESS, LTD.,  
HONG KONG.



MICROFILMED BY  
UNIVERSITY OF TORONTO  
LIBRARY  
MASTER NEGATIVE NO.:

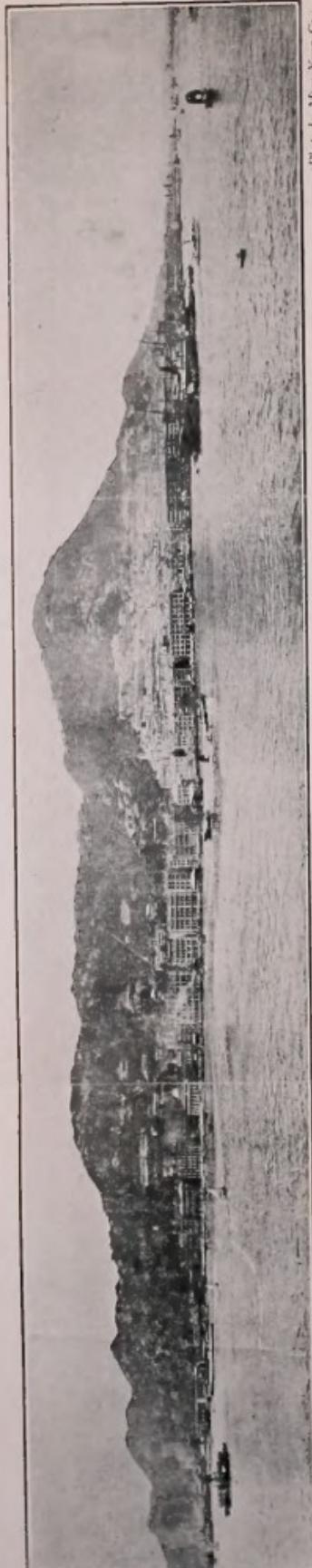
930132

*(Photo by Ming Yuen Co.)*



(Photo by Ming Yuen Co.)

THE ISLAND OF HONG KONG



## HISTORICAL

---



### EARLIEST TIMES

HONG KONG has no history prior to its occupation by the British. The island, which is thirty-two square miles in area, is situated at 22 degrees North latitude and 114 degrees East longitude, and is one of the Ladrone group, off the south-eastern coast of China. It consists of a broken range of barren hills, nearly 2,000 feet high, stretching eleven miles east and west and from two to five miles in the other direction. There are few valleys and no arable land. The narrow strait, about a mile across, between the island and the mainland forms the harbour.

The island struggled out of the waters of the primeval oceans, many millions of years ago. When all North China, except the mountains, was under the sea, this island stood as land and probably even then was separated from the mainland.

### TRADITIONS

Tradition has something to say about these parts. We are told that when the Mongols under Kublai Khan overthrew the Sung dynasty in 1279 A.D., the last emperor, Sung Tai Ping, a boy, was driven into South China and was drowned, or drowned himself, near Hong Kong. The "Sung Wong Toi" at Kowloon is a monument to his memory. Throughout the reign of the Mongols Hong Kong was a stronghold of pirates. The native

Ming rulers (1368-1644) restored comparative order and peace, and the district of Kowloon, opposite the island, attracted people from the neighbouring Tung-koon district. These natives were called "Puntis," and spoke the Cantonese dialect. Later, immigrants from the North began to push their way in, possibly through Fukien. They spoke a different dialect and were called *Hakkas* (literally, "strangers") by the Puntis. Thus it happened that two distinct racial units, differing from each other in language, customs and manners, form the basis of the native population of Hong Kong and Kowloon.

#### NOMENCLATURE

Before the cession of Hong Kong there was no name designating the island as a whole. A small port on the south side, now known as Aberdeen, was called by the Puntis *Heung Kong*. European mariners, mistaking the name of this anchorage as a name for the whole island, marked it on their charts accordingly; and in the treaties of Chuenpi and Nanking, in 1841 and 1843, the name Hong Kong was similarly adopted and passed into general use. The Chinese characters representing the name are of doubtful meaning: they may be read as signifying either fragrant harbour or fragrant stream. *Heung* certainly means "fragrant," and *kong* means "stream"—a navigable stream. A sensible translation would be "Fragrant Harbour." Another possible rendering is "Heung's Harbour," the haunt of a notorious bandit named Heung. It is always said that the first British settlement on the island was at *Chuk-Chui*, which we renamed "Stanley."

The opposite peninsula of Kowloon derives its name from a ridge of nine hills (literally, *Kau Lung*, nine dragons) which spread along the coast. They rise abruptly from the sea and form the northern background of the panorama seen from Hong Kong.

### BRITISH INTERCOURSE

The Hong Kong community has grown out of a small community of British and other European merchants who settled at Canton in the 18th century. Indeed, the history of British intercourse with China from the days of the East India Company is nothing but the narrative of an earnest endeavour to establish legitimate trade. British interests date from the beginning of the 17th century. In point of time the Portuguese came first, in 1517. The Spaniards followed in 1575 and the Dutch in 1622. England's first attempt was made in 1596, when Benjamin Wood set out with three ships and a letter in Latin from Queen Elizabeth to the Emperor of China. The ships were lost at sea with all aboard. The first English ship actually to reach China was the *Unicorn*, which was wrecked on the coast near Macao in 1620, on its way from Java to Japan. In 1625 the East India Company established a branch agency at Amoy. A couple of years later they resolved to open trade with Canton by way of Macao. But the Portuguese objected. The Company, however, arranged a treaty with the Portuguese Governor of Goa, who had jurisdiction over Macao also, and in 1636 Henry Bornford began to trade with China through Macao. He is considered to have been the first Englishman to trade

with China. In April, 1636, an expedition of four ships and two pinnaces sailed under Captain Weddell of the British ship *London*. The expedition, by virtue of the treaty, was admitted into Macao. Weddell navigated and surveyed the mouth of the Canton river, and earned the distinction of being the first Englishman to open up direct communication with China. After a skirmish at the Bogue forts, at the entrance to the river, he was received in friendly audience by the Viceroy of Canton, who granted him participation in trade. The result of that visit was the beginning of trade—often interrupted subsequently—with South China and the introduction of tea, till then an unknown beverage, into England.

Russia followed England in 1658, France in 1660 and the United States of America in 1784. The first British man-of-war, the *Centaur*, arrived in Chinese waters in 1741, and Commodore Anson called in person on the Viceroy of Canton. In February, 1791, the commanders of the *Leopard* and *Thames* attempted unsuccessfully to follow suit, but in November, 1816, Captain Maxwell of the *Alceste* had an interview with the Viceroy. So far none of the European States were able to effect the opening of China. The task finally fell on the shoulders of Great Britain.

#### BRITISH EMBASSIES

The difficulties of trade in Canton were so great and its agents were subjected to such serious risks, that William Pitt, as Premier, prevailed on King George III to write autograph letters to the Emperor

of China, and sent out a costly Embassy under Lord Macartney, in 1792, to open diplomatic relations between the two countries.

Lord Macartney's mission was for the "relief of our present embarrassments at Canton and to try to negotiate a treaty of friendship and alliance." He carried assurances that "our views are purely commercial, having not even a wish for territory." The Ambassador was conveyed to China on H.M.S. *Lion*, accompanied by the East India Company's ships *Hindustan* and *Jackal*. He brought with him presents worth nearly £16,000.

The Embassy left Portsmouth on September 26th, 1792, and landed at Taku on August 5th, 1793. It arrived at Peking on the 21st August and at Jehol (where the Emperor was resting) eighteen days later. Lord Macartney was granted two audiences with the Emperor, Kin Lung, on September 14th and 17th. He left Jehol on September 21st and travelled by inland route to Canton, which place he reached on December 19th. He left Canton on January 10th, 1794, and arrived at London on September 8th, after an absence of nearly two years.

The requests which Lord Macartney placed before the Emperor of China were for:—

- (a) Permission for English merchants to trade at Chusan, Ningpo and Tientsin;
- (b) a warehouse at Peking and depôts near Chusan and Canton for the storage of unsold merchandise;

- (c) abolition of transit duties between Macao and Canton; and
- (d) prohibition of the levy of duties over and above those authorised by the Emperor's decree.

All these requests were refused. Lord Macartney was treated with courtesy by every Chinese official with whom he came in contact; but his movements and actions were carefully controlled by the Chinese authorities, and all the members of the Embassy, from first to last, were little more than prisoners in silken bonds. Notwithstanding the favourable reception the Ambassador received and the expressions of goodwill vouchsafed by the Emperor, there was no diminution of the vexatious conditions under which foreign trade had to be conducted. The Embassy was a failure.

Another attempt to improve trade relations was made in 1816, when an Embassy was despatched to the corrupt and degenerate Court of the Emperor Kia King. Lord Amherst, the Ambassador, was not treated with the courtesy that Lord Macartney had received from the Emperor's father, Kin Lung.

Lord Amherst left Spithead on H.M.S. *Alceste* on February 8th, 1816. His mission was to request :—

- (a) Protection from the violence and injustice of the Chinese officials at Canton, and a more accurate definition of the privileges of the East India Company;

- (b) security for the continuance of trade against sudden and capricious interruptions;
- (c) freedom from the intrusion of Chinese officials into the Company's premises; permission for members of the Company to employ Chinese servants ; exemption from abusive, contemptuous and insolent treatment by Chinese functionaries;
- (d) an open channel of communication between the British traders and some public department or tribunal at Peking, either by a British Resident there or by representations written in Chinese.

The Ambassador was instructed to conform to all the ceremonies of the Chinese Court " which may not commit the honour of your Sovereign or lessen your own dignity." Immediately on his arrival at Tientsin on August 12th, began the dispute over the *kotow*, or Chinese ceremony of prostration, which was a symbol of vassalage. This consists of kneeling three times and nine times bowing the head to the ground. Lord Amherst refused to perform the ceremony. It is possible that he might have agreed, rather than endanger the success of his mission, if it had been merely a Court ceremonial. But it was peremptorily insisted upon as an acknowledgment that the Emperor of China was the Sovereign of the Universe, and was demanded as a duty from other potentates as the Emperor's vassals.

After many altercations Lord Amherst was allowed to proceed to Peking, on the understanding that the prostration ceremony would not be performed. He reached Peking at daylight on August 29th, and was summoned to immediate audience with the Emperor. The nobles of the Court and Ministers of State hustled him, dragged him by the arm and pushed him in the direction of the Emperor's reception hall. Lord Amherst was dusty and travel-stained, and worn with fatigue. He asked for time to get his credentials, and to present himself as a Peer and the Ambassador of his King. But the Emperor, angry at his attitude as it had been reported, ordered his immediate return to Tungchow and thence to Canton, which place he reached on January 1st, 1817. He left Canton on January 20th and landed again at Spithead on August 17th, 1817.

The Emperor of China sent a letter to Lord Amherst for delivery to the King, in which he spoke of the "profound respect and obedience" felt by the King of England, and ended his letter thus : "If you can but pour out the heart in dutiful obedience it is not necessary at stated times to come to Court, ere it be pronounced that you turn towards the transforming influences (which emanate from this land). This Imperial Mandate is now given that you may forever obey it."

The progress of this Embassy was a campaign in the long struggle for reasonable trading conditions between the East India Company and the provincial authorities at Canton. The Company's trade had quadrupled itself in the last thirty years, and it was

urgently necessary to secure some protection against the injustice and insolence of the local officials. But in the dismissal of the Embassy by the Emperor the provincial authorities won their victory and the Company was taught that appeals to Peking against their greed and oppression were of no avail. These early endeavours to bring China into the comity of nations were genuine attempts to secure a peaceful and friendly adjustment of the troubles and anxieties that beset the British trader in China. They failed because the Chinese insisted upon the British missions acting on a basis of inferiority.

While China was ready to profit by the trade which foreigners brought to her shores, she was unwilling to admit them on anything like terms of equality. Mountains, deserts and seas cut off China from free intercourse with peoples in the West who were physically, intellectually and morally the equal of the Chinese. China had maintained intercourse only with adjacent groups that were not so highly developed. Thus arose the ancient tradition of Chinese superiority. Slowly the Chinese came to look upon themselves and their country as the pattern for all others to follow. "All men under heaven," to use the Chinese expression, owed allegiance to the Emperor of China. All foreigners were known colloquially as *fan kwai*, "foreign devils," and officially as *i min*, "barbarians," until the use of that term was prohibited by the Treaty of 1858. They were regarded as uncivilized. A Chinese classic says foreigners "are like beasts and not to be ruled on the same principles as Chinese . . . .

To rule barbarians by misrule is the only way of ruling them."

This theory received full expression at Canton, where the life of the early merchants was humiliating and oppressive. They were virtually prisoners, subordinate to the Chinese traders and slaves to the whims of Chinese officials, whom they might not address except by "humble petition." The American, British, Danish, Dutch, French, Spanish and Swedish merchants were crowded together on an unhealthy and narrow strip of land along the river front. They were not allowed to enter the city at any time or row for pleasure on the river, and only three times a month were they permitted to walk in the flower gardens across the river, under the escort of a Chinese interpreter. They were forbidden to learn the Chinese language, to employ Chinese servants or to use sedan chairs, and could not address any Chinese official direct or transact business privately with a Chinese merchant. Their only point of contact with China was through the Co-hong or group of Chinese monopoly merchants, who conducted all business for the foreigners and submitted their complaints to the officials. And at the end of each trading season the foreign merchants had to pack up and go to Macao, where wives who accompanied their husbands had to stay, not being allowed to enter Canton.

The East India Company had tried in vain to induce successive Viceroys to remedy these injustices and place foreign trade on a satisfactory basis. The profits the Company enjoyed from tea and other

commodities had been a sufficient inducement to face the impositions and insults which were inseparable from Chinese trade. These were reaching a point which strained even the commercial spirit. When the charter of the Company expired in 1834 and the British Government decided not to renew it, trade became free; but the interests at stake had become too great to be left entirely to the doubtful goodwill of the Peking Government, which held itself in such high regard that it considered affairs of trade beneath its notice and trusted the handling of foreigners to the local officials in Canton.

The British Government therefore sent out three Superintendents to supervise trade, of whom Lord Napier was chief. This entirely altered the relations between the two countries. During the time of the East India Company the British and Chinese Governments were dealing with traders only, and disputes with Chinese officials were considered merely commercial disagreements. They had no national significance. Under the new system the Chinese Government would be dealing with a royal representative, and that was the thing it was resolved not to do. Lord Napier—"Lo Lutpi" the Chinese called him—arrived in July, 1834. The Chinese officials refused to have anything to do with this "barbarian eye." He was insulted and treated with contempt. He had to address any Note in "humble" terms to a third-rate subordinate of the Viceroy at Canton. He was beset in his residence at Canton by soldiers, his native servants were driven away, his supply of provisions cut off, and himself finally rescued by the

crews of His Majesty's ships *Imogene* and *Andromache*. Lord Napier soon realised that the dignity of his mission could not be upheld without military support, and after earnest but unsuccessful negotiations he retired to Macao, where he died, a victim to malaria, on October 11th, 1834.

### THE OPIUM QUESTION

In 1836, Captain Charles Elliott, R.N., became Chief Superintendent of Trade, and after his arrival affairs took a definite turn, culminating in the conflict that bears the misleading name of the "Opium War," a designation that is still favoured in prejudiced and ill-informed circles. But opium was only an incident in this war, which was a war between two Governments, one overwhelmingly and offensively arrogant, and the other, in no way inferior, determined to uphold its national dignity. It was not fought between the English and the Chinese people. That the "Opium War" was occasioned by a dispute over the opium question is perfectly true : that it was fought by the British to force opium on an unwilling consumer is absolutely false. It would be just as true to say that the tea which was thrown into Boston harbour was the cause of the British war with the American Colonies, or that the gold mines in South Africa were the cause of the Boer War, or that the bomb which exploded in Savajero caused the Great War.

As a matter of fact, opium was known in China since the 7th century, when the Arabs brought in Turkish, Indian and possibly Persian opium. Chinese

records show that in the 11th century "the poppy was grown everywhere," that in the 13th century opium was manufactured in China, that it was on the Canton customs tariff in 1589 and succeeding years, and that on the establishment of the Co-hong—the group of Chinese merchants who were charged with the superintendence of foreign trade—in 1722, opium was specially licensed as an article of import paying duty at £1 per chest. The import trade was at first in the hands of the Dutch and Portuguese. Later, Indian opium was brought in by the British, and American boats carried all the Turkish opium imported. And since Great Britain abolished the export of Indian opium to China, the cultivation of the poppy in China has increased by leaps and bounds. Opium smoking began at the end of the 17th century. It was introduced, between 1620 and 1662, by the Dutch from Java, where a mixture of tobacco, arsenic and opium was smoked as a cure for malaria. It has probably been smoked alone, without admixture, since about 1800. It was not, then, the moral aspects of the case that perplexed Chinese officials. They were disturbed by the practical problem of arresting the large export of silver in exchange for imports of foreign merchandise besides opium.

The first recorded anti-opium edict was issued in 1729. In 1800 appeared the first edict prohibiting both the importation of the drug and its cultivation in China. But counsels were divided at Peking and Chinese officials everywhere encouraged the traffic although it was contraband. For twenty years the

edict, for all practical purposes, was a dead letter. The order of abolition merely led to smuggling, just as the prohibition of alcohol has led to rum-running and bootlegging; and efforts to put down the evil were rendered abortive quite as much by the avarice of Chinese smugglers and officials as by the "wickedness" of foreign traders. Until 1840 opium was the subject of a special arrangement with the Canton Viceroy, under which the river charges plus the import duty previously demanded were compounded for a regular payment on each chest. In this traffic all nationalities participated, though the British naturally had the advantage, as they controlled the principal sources of supply, viz., Bengal and Malwa. The East India Company, however, since 1782 had not sent any opium to be sold in China for its own account.

In the season of 1818, for which reliable figures are available, the total imports into Canton and Macao amounted to \$26,200,230, of which \$7,369,000 was silver, \$4,939,339 opium (viz., \$1,858,000 traded by the British at Canton, \$546,339 Turkish opium imported by America, and \$3,035,000 imported under other flags at Macao), and \$13,891,891 worth of woollens, furs, cotton, metals, sandalwood, etc. The export trade of Canton for the same year amounted to \$26,109,536, which included \$6,088,679 of silver. Similarly, in the season 1819 the value of the British, American and Indian products imported into Canton was not less than 26 million dollars, but the export of Chinese commodities did not exceed 20 millions. These

figures do not include trade under Spanish and Portuguese flags. As the foreign imports could not be balanced by exports of Chinese commodities, it became necessary to ship silver, and this undoubtedly depleted the national supply of silver bullion. But the drain of specie was not occasioned solely by the importation of opium, although that was officially stated to be the cause.

In 1838 the Emperor appointed Lin Tse Hsi, a pugnacious official, as Imperial High Commissioner at Canton, to enforce the edict of 1800. Lin was a great patriot but a poor statesman. He assumed office with the laudable determination to serve his Emperor faithfully. Unfortunately, in his zeal he pledged himself to an extreme policy, based on uncompromising contempt of the foreigner and all his ways and an utter misconception of the character and power of the British. His programme included the complete humiliation of the foreigner as well as the extirpation of the opium traffic. Until the stocks of opium valued officially at one and a quarter millions sterling were surrendered, he held the whole British community, including His Majesty's representative, to ransom, threatening them with death. The surrender of the stocks only led to fresh and more exacting demands. The opium trade was international. Captain Elliott, the British representative, was in Canton for purposes of legitimate trade only and possessed no powers in regard to opium, of which more than half came from places beyond British jurisdiction. Yet Lin aimed at making the British responsible for the prevention of

smuggling, not only at Canton but all along the coast, a task which the Chinese with all their ships and men were unable to undertake. It was an impossible situation : the commercial restrictions and constant indignities that had so long galled the British could no longer be endured. They determined to leave Canton, and on May 24th, 1839, the whole community moved to Macao, until, as they hoped, they would be allowed to return to Canton in comparative peace and security. This was Commissioner Lin's seeming success over the trade in opium. It was a victory more damaging than defeat, for it was gained by driving away British trade from Canton, and resulted in the establishment of a British colony at Hong Kong.

### EXODUS TO HONG KONG

In the correspondence that ensued there seems to have been no desire on the part of the foreign merchants to settle at Hong Kong. They were anxious to re-establish on a basis of international equality either at Canton, from whence they had been driven out and where their warehouses had been pillaged and destroyed, or at the Portuguese colony of Macao. Commissioner Lin would have neither. He proposed that they should trade at Chuenpi, about fifty miles from Canton, under new regulations and the guns of the Bogue forts. And he stipulated that every British merchant should be subject to trial and capital punishment by Chinese tribunals according to the Chinese penal code. The principal punishments of that code were beheading, strangling and flogging. On an earlier occasion,

when the firing of a salute of blank cartridge from a British ship was alleged to have caused the death—through shock or fright—of a decrepit Chinese, the gunner who fired the round, although only carrying out orders, had been sentenced to death and strangled. After that incident British subjects accused of crime at Canton and its neighbourhood were sent to England and tried there.

It was impossible to agree to Lin's proposals, and when Macao became the scene of threatening demonstrations because refuge had been given to the British merchants, they left that place on August 26th, 1839. Men, women and children, with all their possessions, embarked hurriedly on ships, junks and boats of all descriptions, which immediately started for what is now the harbour of Hong Kong, under convoy of H.M.S. *Volage*, recently arrived in Chinese waters, to seek safety on board the British and American ships that had assembled in the harbour for mutual protection, in March, 1839.

#### BATTLE OF CHUENPI

It was a mournful exodus, not at all enlivened by the depressing appearance of things at Hong Kong. On one side of the harbour there was an almost barren rock, with practically no food resources; on the other side a large Chinese camp was under construction. All attempts to conciliate Lin had failed. He insisted on the bond of submission to Chinese criminal jurisdiction, and, as Captain Elliott would not agree, issued a peremptory order for all foreign ships to leave China within

three days. At the same time he prepared to attack Hong Kong harbour with two shore batteries commanding the best positions of the anchorage. The humble attitude of the foreigners was giving way, under stress of unjust oppression, to claims of national honour. As Lin would not cease his hostile preparations, the *Volage* (Captain Smith) and *Hyacinth* (Captain Warren) proceeded to the Bogue forts, and Smith sent a letter to Lin requesting cessation of warlike hostilities and permission for British merchants and their families to reside on shore. The reply was an attack by the Chinese squadron, which stood out on November 3rd, 1839. This is the first naval engagement between China and England recorded in history. The Chinese fleet had to retire in distress. When news of the Battle of Chuenpi, or the Bogue as it is also called, reached the Chinese army, the shore batteries opened fire on the foreign merchant ships anchored in Hong Kong harbour and drove them to Tungku, where they remained for some months. At the time of the "opium" war it appears that the total number of male foreign residents in China was not more than 259, of whom 147 were British. Even when the *Arrow* war was in progress, in 1857, there were only 2,148 foreigners, of whom 1,462 were in Hong Kong, 47 in Canton and 408 in Shanghai.

In England public indignation was aroused. No self-respecting nation could tolerate the insolent attitude and savage methods of Commissioner Lin. The Queen identified the dignity of her Crown with the fate of Captain Elliott and the British merchants

in China, and, as it was impossible to pacify the Canton officials, there was no alternative but to uphold the national prestige by force of arms. An expedition was fitted out. In June, 1840, the ships forming the expedition (which included the *Calliope*, *Columbine*, *Larne*, *Modeste* and *Sulphur*) began to assemble in Hong Kong harbour. By the end of the month there were sixteen battleships, mounting 540 guns, in Chinese waters, together with twenty-seven transports which brought about four thousand troops. The expedition was commanded by Admiral Sir J. J. Gordon Bremner, under the instructions of Her Majesty's Plenipotentiary and Chief Superintendent of Trade, Captain Charles Elliott.

#### cession of hong kong

The second battle of Chuenpi was fought on January 7th, 1841. Within an hour and a half it was over in favour of the British. When the Emperor realised that he must either accede to Britain's demand for fair treatment or pursue hostilities, Lin was degraded and Kishen was appointed Imperial Commissioner to arrange Canton affairs. On January 20th, 1841, the Treaty of Chuenpi was concluded. By it, and in accordance with Commissioner Kishen's proposal, the island of Hong Kong was ceded to the British as a dépôt for their trade. On the same day Captain Elliot announced the cession in a circular written from Macao, and on the following day, on board H.M.S. *Wellesley* in Hong Kong harbour, he issued a proclamation whereby the government of Hong Kong devolved upon the Chief Superintendent of Trade in China.

Captain Sir Edward Belcher of H.M.S. *Sulphur* (which gave its name to "Sulphur Channel"), who was ordered to survey the island, landed on Monday, January 25th, 1841, at 8.15 a.m., on the spot known as "Possession Point." When the squadron arrived on the following day, possession was taken in a formal manner by Admiral Sir J. J. Gordon Bremner in the name of Her Majesty Queen Victoria. Belcher determined the heights of the principal peaks and named them Victoria Peak, High West, Mount Gough and Mount Kellett. The Notification of Occupation was published on May 1st, 1841.

In this momentous matter the actions of neither Kishen nor Elliott met the wishes of their principals. Both were recalled, and when, on August 29th, 1842, the first formal treaty between Great Britain and China was signed on board H.M.S. *Cornwallis* off Nanking, the signatories were Sir Henry Pottinger on behalf of the Queen of England; and Keying, High Commissioner, and three Assistant Commissioners on behalf of the Emperor of China. By this treaty the five ports of Canton, Amoy, Foochow, Ningpo and Shanghai were opened to British trade, and Section III confirmed the cession of Hong Kong. When the Royal Charter creating the Colony was signed on April 5th, 1843, Sir Henry Pottinger's Commission as the first Governor under the Queen's Sign Manual bore the same date.

It is freely admitted by students of Chinese history, and corroborated by the Chinese historian Wei Yuan, that it was not the losses in the opium trade but the stoppage of all trade and

the offensive behaviour of Commissioner Lin that brought about the war. Further valuable corroboration on this point is to be had from American sources. Dr. W. A. P. Martin, an eminent American scholar and missionary, wrote : " In 1839 Lin brought on the opium war by depriving the foreign community of liberty and threatening them with death. . . . To punish this high-handed proceeding and to exact the promised indemnity were the objects of Britain's first war with China, not at all to force the Chinese either to receive opium or to consume it." Another American scholar, Dr. Arthur Smith, said: " It is difficult, even to-day, to read with patience the recital of what foreigners went through with the Chinese at that early day. The conceit of the Chinese Government was simply colossal and insufferable. To us it seems now that no self-respecting nation would have put up with it for a year. . . . Under these conditions it is a wonder that the war of 1840-2 did not come about earlier." In the *Cambridge Modern History*, Vol. XI, page 810, it is stated that when the news of the Treaty of Nanking was received in America, " the President sent a message to Congress, recommending an appropriation to meet the cost of sending a Commissioner to China. The House of Representatives reported in favour of the proposal and justified the recent action of England by observing that the war had originated in the refusal of the Chinese Government to receive Ministers appointed by the British sovereign, and in the rejection and expulsion with insult and injury of Lord Napier; that a series of similar outrages in-

flicted on other British diplomatic officers, followed by the seizure and destruction of several shiploads of opium belonging to British subjects had finally kindled the war the origin of which had erroneously been attributed to this last incident alone; and that the object of Great Britain had been to compel the imperial despot to treat with the sovereign of another empire, not less powerful, upon terms of perfect equality and reciprocity."

Britain's first war with China—the "opium" war—has sometimes been called the war over a *pin*, the latter being the Chinese name for the humble and servile petition which was the only form of communication the Chinese would consent to receive from a foreigner. In the Treaty of Peace it was agreed that in future the terms "communication," "statement," "declaration" and representation" were more appropriate for "countries on a footing of perfect equality."

Opium is not even mentioned in the Treaty of Nanking, which was signed in 1842 after the termination of the war, nor of the subsequent Regulations and Tariff Schedule. The traffic was legalised sixteen years later, in the Treaty of Tientsin. "The question of opium was never once the subject of conversation or correspondence between the Chinese Commissioners and Lord Elgin," who negotiated the Tientsin treaty on behalf of the British. He was bound by his instructions, and in view of all that had gone before had no desire "to impose on a defeated Government so momentous a change

in a trade of so peculiar a character," for smuggling continued with increased vigour. The illicit traffic was legalised at the instance of Mr. W. B. Reed, the United States' Minister, who acted in this matter against the instructions of his Government but apparently with Chinese approval. Doubtless he was convinced, from personal experience, of the hopelessness of prohibiting the trade effectively and of the evils of a drug traffic conducted on a basis of smuggling.

The war was forced upon Britain by the fact that the more the British humiliated themselves during many weary years, the more gross were the indignities heaped upon them by the authorities at Canton. England did not uphold British merchants against the surrender of their opium: and she was satisfied with a barren rock when she might have taken a province. Her only desire was to trade with China in peace, free from imposition and insult. Lord Aberdeen, the Secretary of State, said: "We seek no exclusive advantages and demand nothing that we shall not willingly see enjoyed by the subjects of other nations." That was in 1831, and to that policy the passing years have added nothing ulterior.

In 1907 the Indian Government agreed to reduce the export of opium to China by 5,100 chests every year, if China would reduce the areas under poppy cultivation by 10 per cent., so that the trade would be extinguished by 1917. The British have kept their side of the bargain. The last sale of

opium at Calcutta for export to China was in April, 1913, and since 1917 not an ounce of opium raised in any British possession has entered China. But in China the poppy is grown in the provinces of Chihli, Honan, Shensi, Kansu, Shantung, Szechuan, Hupeh, Hunan, Kiangsi, Kiangsu, Anhwei, Fukien, Kwangtung, Yunnan and Kweichow; in other words, in 15 out of 22 provinces. Restrictions are ignored and official recognition is general, and in some cases the pay of troops is in the form of opium. It is freely stated in Chinese circles that when Tsao Kun bribed his way into the President's chair in 1923, by paying each voter in his favour \$5,000, part of the many millions so spent was collected from an opium crop specially grown for that purpose. Quite recently Reuters reported that 440 chests of opium, purchased from Turkey and valued at more than two and a half million taels, were landed at the Chinese Bund at Shanghai on November 13th, 1927, and delivered to the Kiangsu Anti-Opium Medicine Monopoly Bureau in the Chinese city, which immediately commenced selling the opium wholesale.

In March, 1860, Harry Parkes, not then Sir Henry Parkes, obtained in perpetual lease from the Chinese Government about two square miles of the mainland of Kowloon, projecting towards the harbour, with Stonecutter's Island. Article VI of the Convention signed at Peking in October confirmed the lease. An extension, in the district called "New Territory," was leased to Great Britain in 1898 for a period of 99 years. It covers 376 square miles and includes the island of Lantao and the waters up to the farther shores of Deep Bay and Mirs Bay.

It is a popular misapprehension that Great Britain particularly desired the cession of Hong Kong as part of her colonial empire. It is true that in 1834 Lord Napier directed attention to the peculiar facilities afforded by the island. British trade required a place of freedom from the vexatious control of the Chinese authorities, where merchants of all nations could deposit their goods until they were sold, and possibly Napier thought of Hong Kong more as a future treaty port than as a colony. Indeed, in the search for a colony, which created so much opposition in Canton and in England, Hong Kong was out of the running. Chusan was most in favour, next came Ningpo and Formosa. The cession was brought about by force of events. And the offer came from the Chinese authorities. The island had never really been an integral part of China or of any practical value to the Chinese social or political organism. It was so valueless in Chinese eyes that the Emperor laughed when he gave it away. It was unknown to the topographers and statesmen of China until men came from the Far West to give it a name in the Far East.

#### EARLY DAYS OF THE COLONY

From 1841 to 1858 there was continual trouble with the mandarins and great internal unrest; and rain, storm and fire supplemented the turmoil of public disaster. When a terrific typhoon swept over the island in July, 1841, the Emperor of China offered solemn thanksgiving to the dragon gods of the sea for the destruction of Hong Kong. But the end was not yet.

At the time of the cession, in January, 1841, the population of Hong Kong was about 5,000, ashore and afloat: chiefly stone-cutters, smugglers and vagabonds. By March, 1842, the number had increased to at least 20,000. In 1906 the population of the Colony was 319,803, of whom 96 per cent. were Chinese. Five years later 451,135 were returned, and of these 97 per cent. were Chinese. The Census for 1921, which is the latest, gives the population of Hong Kong and the New Territories in Kowloon as 625,166, including 347,401 living on the island and 71,154 on the water. The non-Chinese population of 14,798, or 2.4 per cent., consisted of 32 nationalities. There were 2,777 pure British, 4,300 British nationals of European race, and 3,985 other Europeans and Americans.

The famous missionary, Dr. James Legge, who came to Hong Kong with his family in May, 1843, gives us a glimpse of it as it was then. The tents and huts of the 55th Regiment were greatly in evidence. There were the firms of Dent & Co., Fletcher & Co., Gemmell & Co., Gibb, Livingston & Co., Heard & Co., Jamieson, How & Co., Jardine, Matheson & Co., and Lindsay & Co. A few Chinese houses stood here and there. All the space between Wyndham Street and Wellington Street was garden ground: Happy Valley was "only fields of rice and sweet potatoes." And what a day of excitement was August 13th, 1845, when the first of the P. and O. boats, the *Lady Mary Wood*, brought the mails from London to Hong Kong in fifty-five days !

## THE ARROW INCIDENT

Life in Hong Kong in those early days was far from pleasant. Waves of crime passed over the settlement in 1848 and 1849, and piracy was rampant on the sea. People lived with a price on their heads; servants were not to be trusted; rewards were offered to any incendiary who would set fire to foreigners' houses, to any murderer who would kill them. It was a most perplexing situation, and by the early 'fifties things had become so bad generally that there was some talk of abandoning the Colony. But the men of sterner purpose prevailed. On October 8th, 1856, occurred the unfortunate *Arrow* incident, which precipitated a rupture through complications as undesirable as those that provoked the first war. The *Arrow* was a fast-sailing junk owned by a Chinese merchant in Hong Kong, with a British subject, Thomas Kennedy, as master. While anchored at Canton it was boarded by a party of mandarins, who deliberately hauled down the British flag and made prisoners of most of the crew. Commissioner Yeh Ming-chin of Canton was as haughty and antagonistic as any of his predecessors, but if there had been any convenient means of communication between the Hong Kong and Canton officials the fighting that followed might have been avoided. As it was, Lord Palmerston's appeal to the nation at home was successful, and Lord Elgin was sent out to obtain redress. But his operations in China were delayed by the outbreak of the Indian Mutiny, and for the

time matters passed into the hands of Admiral Sir Michael Seymour. In December, 1856, the foreign business establishments at Canton were destroyed by incendiary fires; and the general antipathy against foreigners was so intense that a diabolical attempt was made, on the morning of January 15th, 1857, to poison all foreign inhabitants of Hong Kong by means of arsenic in the bread baked in the "Esing" bakery, the principal bakery in the town, owned by a Chinese named Cheong A-lum. Fortunately, the dose employed was so large that it caused violent sickness instead of death. Cheong A-lum went off with his family to Macao by an early steamer, but he was brought back and tried for having administered the poison with intent to murder. A notable fact to be recorded to the honour of the British name in connection with this case is that although the judge, jury and counsel for the prosecution and defence had all been victims of the poisoning, the prisoners were acquitted.

The second war, like the first, originated in the overbearing and intolerable action of the Chinese authorities. Foreign representatives were entitled to treat only with the High Commissioner at Canton, and Yeh Ming-chen, who occupied that position, persistently refused to see or hear them. It had become a part of the settled policy of the Chinese Government to ignore the officials of England, France, Russia and the United States. The *Arrow* incident was a *casus belli* for England; and France was not loath to join hands with England to demand

reparation for the murder of Père Chapdelaine, a French missionary in Kwangsi, who in 1856 had been brutally tortured and decapitated and his body, horribly mutilated, thrown to the dogs.

### SECOND ANGLO-CHINESE TREATY

The *Shannon* brought Lord Elgin to Hong Kong on July 2nd, 1857, and on December 29th the English and French forces entered Canton.

The American and Russian Ministers were committed by their Governments to moral suasion only to obtain their ends. But with the Franco-British force there were diplomatic representatives of Russia and the United States, and in February, 1858, when the allies sent Notes to Peking the American and Russian Ministers despatched Notes also. Mr. Reed declared formally in the name of the United States that he and his Government were in complete agreement with the efforts of the allies to attain their object, which was recognition of equality and legitimate trading privileges. And Count Putatin, on behalf of Russia, joined the other foreign envoys in pressing their demands for rights to be enjoyed by all in common. It is clear, then, that the flagrant insult offered to the British flag in the *Arrow* incident was not the sole cause of the war.

After much negotiation a treaty of peace was signed at Tientsin on June 26th, 1858. But the ink on the treaty was scarcely dry before there was

substantial evidence against the sincerity of the Emperor and his desire for peace, and it required the war of 1860 to smash the foolish masquerade of haughty superiority which the Manchu Court had kept up. The ratification of the Treaty was secured in the Peking Convention, signed on October 26th, 1860. This provided for the residence of a British Ambassador at Peking. The British Legation was established at Peking by the arrival, on March 26th, 1861, of the Honourable Frederick Bruce; but it was not until 1873 that the Chinese reciprocated by establishing a Legation in London.

During the next fifty years the outstanding event was the Boxer Rebellion in 1900, the causes and consequences of which are outside the scope of this pamphlet. This brings us to 1911.

### THE REVOLUTION

The Manchus had ruled China since the middle of the 17th century. High living and plain thinking brought about decay, and under the decadent dynasty China was wrecked. There was no constructive statesmanship. The Emperor was the theocratic head of the nation, and his principal duty was to intercede with God on behalf of his people. He was more a symbol of the unity of the race than its ruler. The Manchus were foreigners. But to suppose that the Chinese have always been governed and oppressed by alien peoples is only partly true. Most of the state officials have always been Chinese, not Manchus or others, just as to-day

the various marauding armies are Chinese, the officials—civil and military—are Chinese.

The humiliations attendant on the Chino-Japanese war of 1894 cut deeply into the heart of China and intensified the resentment against the throne. About this time a group of Chinese intellectuals began to attract attention. They were young men who had received a foreign education either in China or abroad, and were chiefly Cantonese. They inaugurated what is called the Reform Movement. Sun Yat-sen belonged to this group. It is interesting to observe that the leaders who inspired the rebellions of 1815 (the Taiping rebellion, which had as its watchword the extermination of the Manchus) and of 1911 were both Cantonese—Hung Hsia-chuan and Sun Yat-sen. Two men may be taken as typical of the parties in this group: Kang Yu-wei, a reformer, whose schemes were cut short by the throne, and Sun Yat-sen, who was anti-dynastic.

After the failure of the fanatical and anti-foreign Boxer outbreak in 1900, the Reform movement became predominantly Republican. The Russo-Japanese war of 1904-5 was the first in which an Oriental Power was victorious against an European one—for until the advent of the Bolsheviks Russia considered itself a European Power. It encouraged the Chinese people to demand a larger share in the actual government of their country, and while the throne made spectacular concessions by setting up Provincial Assemblies, in effect it ignored

them. The reformers, who had now become revolutionists, worked secretly and steadily.

The collapse of the Imperial Manchu house occurred in 1911. On October 10th, 1911, a bomb accidentally exploded in a secret bomb factory at Hankow. The revolutionaries realised that they must take instant action or perish. They put Colonel Li Yuan-hung at their head and the Revolution was immediately in full swing. A few thousand Manchus were slaughtered, chiefly at Sianfu, and the Revolution was accomplished. In January, 1912, the child-Emperor signed his abdication and the Empire of China was swept away. It had lasted 4,000 years.

Sun Yat-sen, the "Father of the Republic," apparently did not have anything to do with the actual work of overthrowing the Monarchy, except, perhaps, by collecting funds from Chinese sympathisers abroad. The Revolution was finished when he reached China. But he was installed as the first President at Nanking on January 1st, 1912. On February 14th, he resigned in favour of the famous Yuan Shi-kai. A provisional Constitution, rapidly copied from European text-books, was adopted by the Nanking Assembly on March 10th, and Yuan Shi-kai took office the same day.

Trouble soon began to arise between the dictatorial President and the southern republican party, represented by the Kuomintang. In 1913 a critical and important event occurred, and from that time dates the cleavage between North and South.

Yuan contracted a loan—known as the Reorganization Loan—of twenty-five millions sterling, with certain foreign nations, against the wishes of the Southerners. With this money at his command he easily suppressed his political opponents and set in motion policies which would make him the founder of a new dynasty. He relied on the Tuchuns or military governors whom he established in the various provinces and who have since become a national scourge. But he died, a disillusioned man, in 1916.

“The Republic of China shall be a unified Republic forever,” was the confident prediction made in Article I of the Provisional Constitution. Yet the story of China from 1912 onwards is a record of continued intrigue and plot. As a republic China has been torn asunder by party politics and fratricidal strife. There have been 8 Presidents, 42 Cabinets and 25 Ministers of Justice since 1912. The last President was held prisoner in Peking for sixteen months until April 10th, 1926, and since then there has been no Government in China. The internecine wars are not fought for any vital principle or national purpose, but are due to lust for power. And the President is compelled to act according to the dictates of the nearest war lord. The sum total of misery and suffering in China since the Revolution of 1911 cannot be calculated. Loss of life must run into millions and the destruction of property is beyond computation.

The provisional constitution, which has not been replaced by a permanent one, contained all that was

best in western republics. It failed, miserably—and Chinese politicians affirm that it failed because of foreign interference and “domination.” That the Chinese people are almost wholly illiterate, that they have never had the slightest experience in the machinery of government, that the failure is largely due to their own lack of insight and inherent defects in the Chinese people; these and other cogent facts are entirely ignored. The vocal and political movements of modern China do not seem to be inspired by true national feeling. The welfare of the people has entered but little into the calculations of the leaders of the Revolution or of the Nationalists. Indeed, there is little evidence in the records of China’s parliamentary and other activities, of sincere political convictions directed towards any definite purpose of constructive reform.

## **DESCRIPTIVE**

Hong Kong is a fairy-like city that winds along the low grounds and up the hillsides of an island that was a barren and desolate rock eighty years ago. The soft blue waves of a sapphire sea beat in rhythmic protest against the reclamation that is known as the Praya, and almost from the water's edge the whole city is tilted up under the triple guardian peaks of Wanchai, Victoria and High West, which tower a thousand feet above the highest street. To accommodate the rapidly increasing population human skill has triumphed over difficulties of natural formation, utilizing every coign of vantage. But there is still space to be conquered by the builder. Tier after tier of houses of all descriptions rise one above the other in intriguing gradients, while some more venturesome than the rest are perched on lofty points overlooking hundreds of feet of precipice. And where the cliff becomes too steep or ravines interfere, the population, like a stream that meets some rocky barrier, diverges in opposite directions and, creeping along the lower grounds, winds its way over either side to find habitation behind the intervening heights. All these residences have an easy approach from a fine system of mountain roads, which stretch their arms through pleasant shelters. The business houses are on the inshore, and along the lower levels are some imposing buildings.

As one ascends the mountains towering majestically behind the town, one notices the luxuriance

with which Nature has crowned the efforts of man. Seen from below there is a beautiful solemnity of pure outline and massive upliftedness which these mountains tend to lose when one achieves the summit. Yet it is inspiring to gaze down the rugged slopes, past the dark gorges where the shadows lie thickly, through shifting patches of sunlight far below to the palpitating sea furrowed by busy craft. Gleaming under the rays of a dazzling sun, the hills reflect the colours of the tropical light, from blue to grey and white in the morning, to grey, rose and gold in the afternoon. Then comes that mysterious time between day and night, when the sun sinks in fiery glory behind the flashing sea, which hushes along the shore as the shadows close down the horizon. And as the landscape becomes more indistinct and romantic, suffused in a violet haze, lights flash from the water-edge up the roads that lead to the dark, overhanging cliffs. They spread from street to street and mark them so that their course can be traced to the point where they are lost behind some rising ground. By and by, as the purple hues deepen to sable, from the margin of the sea up to the highest points on which stout-hearted dwellers have fixed their dwellings, innumerable lights, like myriad stars, sparkle and glisten in the darkness. It is a scene that has defied the artist and escapes the pen.

#### PUBLIC PROVISIONS.

Before 1888 those who lived on the Peak, which is the healthiest spot for residence, had to face either an arduous walk or an uncomfortably tilted

ride in a sedan chair to get home. But on May 30th, 1888, the Peak Tramway was opened, and the "Peakite" can now get comfortably to the top of the hill in ten minutes. It is a funicular railway, 4,800 feet long with gradients varying between 1 in 25 and 1 in 2. As you follow the beckoning wire over hummock and knoll, invading in an apparently daring fashion the domains of the great peaks and frowning cliffs on the west, you are hauled through the branches of untrodden jungle to an elevation of 1,800 feet.

To Sir Hercules Robinson, who was Governor of Hong Kong from 1859 to 1865, the Colony is indebted for the beginning of its water works, which now supply the population from the Pokfulam, Tai Tam, Tai Tam Tuk, Wong Nei Cheong and Kowloon reservoirs. The Pokfulam reservoir was constructed in 1866-9 and has a storage capacity of 68,000,000 gallons. A larger undertaking was the Tai Tam reservoir. On the north side of the island a rough circle of three mountains collects an immense torrent of water in the rainy season, which found its way through a gorge to the sea. By building a granite wall across the gorge, 135 feet high and 85 feet wide at the base, an artificial lake was formed to hold 385,000,000 gallons. The work was commenced in 1883, finished in 1888 and extended in 1896. But the enterprise of the colonists is seen in the Tai Tam Tuk water works, in the same valley, which impound 1,419,000,000 gallons, by a dam 1,255 feet long and 161 feet high. It was commenced in 1912 and completed in 1918. The Wong

Nei Cheong reservoir, holding 30,000,000 gallons, was completed in 1899, and the Kowloon reservoir, with a capacity of 352,000,000 gallons, in 1910. On the Kowloon side, the Sheklaipui reservoir, holding approximately 100,000,000 gallons, was completed in 1925; and the reception reservoir, which is an integral part of the Shing Mun scheme and has a capacity of approximately 50,000,000 gallons, was completed in 1926.

### THE UNIVERSITY

Hong Kong's chief educational achievement is the University. It has grown round the nucleus of the College of Medicine for Chinese, founded in 1888 by the late Sir Patrick Manson and other doctors, under the auspices of the Colonial Government. The inception of the University was due primarily to the initiative of Governor Sir Frederick Lugard, who laid the foundation-stone on March 6th, 1910, and opened the institution on March 11th, 1912. The land was a gift from Government; Sir Hormusjee Mody gave a donation of \$345,000, and, if that were insufficient, undertook to defray the cost of the main building. To the endowment fund Messrs. Butterfield & Swire, a local firm, contributed £40,000, and handsome donations were received from the Chinese Government and from benefactors of varied nationality and domicile. The Colonial Government have provided additional endowments from time to time, and several important private benefactions have been made recently.

There are three faculties in the University : Medicine, Engineering (Civil, Mechanical and Electrical) and Arts. In the Arts Faculty there are sub-departments of Education and Commerce. The University is affiliated to the Universities of Oxford and Cambridge.

The main building can accommodate about 500 students, with capacity for extension. Residential quarters are provided for most of the professorial staff, and there are three University Hostels—Lugard, Eliot and May Halls—and two recognised hostels—Morrison Hall, conducted by the London Missionary Society, and St. John's Hall, conducted by the Church Missionary Society. The Schools of Anatomy, Physiology, Pathology and Tropical Medicine, built and equipped between 1913 and 1919, are due to the generosity of local Chinese gentlemen.

## THE PRESENT

---

Chaos was enthroned in China in 1912, when the nation began its career of republicanism. Most of the administrative officials had to be retained in office, and many of them were so thoroughly tainted by the evils of the old *regime* that they regarded democracy as a synonym for unlimited "squeeze."

The European is bewildered as he contemplates the turmoil of modern China. On every side he hears denunciations of foreign Powers and "unequal" treaties, liberally interspersed with ostentatious phrases about national sovereignty, international law, equality, self-determination, and so on. The thoughtful European can only conclude that these phrases have become fetishes to the Chinese politician, to be worshipped without any regard to the fact that they imply a certain amount of political consolidation and governmental organization. For all around him he sees nothing but political strife and militarist oppression, both of which are effectively ruining the country and forcing it back to the misery of the dark ages; and under the rule of the Nationalists he witnesses atrocities of which no civilized nation in the twentieth century should be guilty. Even the most superficial enquiries convince him that this nation, which insistently represents itself as bruised and broken by the wrongs of Western Powers, makes no serious attempt to set its own house in order, to acquire the attributes of sovereignty and thereby secure an

honoured international status. There are necessary evils that must occur in passing from a monarchical regime to a republican system. But they should not outlive the stage of transition. In China they have lasted for 16 years and things have been going steadily from bad to worse. China is as far from representative government under the Republic as it was under the Empire. These facts are kept carefully in the background. China cannot, or will not, give the slightest evidence that she intends to respect the rights and dignity of other nations, to treat them as "equals" or to protect the lives and properties of foreigners in China. The position is curious—this refusal to progress while claiming the benefits that attend progress. It seems to be a reasonable explanation of the problem to say that China is still beridden by the incubus of an ancient tradition of superiority.

The movement that is in front to-day is the Nationalist Movement. The Kuomintang is the political party with which the movement has associated itself. The Kuomintang was first formed in 1912-13, but was almost immediately declared illegal and worked underground until 1919, by which time the late Dr. Sun Yat-sen was established in Canton.

Nationalism, as the term is understood in the west, is wholly foreign to the old Chinese mentality. The loyalty of the Chinese is to his family, which is the natural, economic and social unit in China. In modern China Nationalism has arisen from various causes, and has been goaded into militant activity by Soviet Russia to promote chaos. The

first awakening of the national consciousness may be traced back to 1894-5, when China was defeated in the war with Japan. The defeat was regarded as a national humiliation. Ten years later the Russo-Japanese war suggested that the West was not invulnerable. The world war, ten years later still, was a revelation to China that Europe was not at unity with itself, as she had supposed after the Anglo-French Alliance in the Chinese war of 1860 and the Thirteen-Powers' Alliance against China in the Boxer troubles of 1900. In 1917 China joined the Allies against Germany because she thought that thereby her international status would be considerably improved. The Allies were not unsympathetic in this matter: only Japan was dissentient. Two years before, in May, 1915, Japan had presented the notorious Twenty-One Demands. The control over China postulated in those demands would have made the country virtually a Japanese Protectorate. The disapproval of the West and the intense indignation of China frustrated the attempt. This incident was a powerful stimulus to China's consciousness of her own nationhood. After the Paris Peace Conference, which met primarily for the making of peace with the enemy Powers, the Chinese delegates were embittered because their various requests were not immediately gratified, particularly in the matter of Germany's rights in Shantung, which had passed to Japan. To these contributory causes may be added the example of the bid for freedom in the Russian Revolution, which Young China wrongly identifies with the subsequent Bolshevik conquest, and the knowledge that Chinese students abroad have acquired of the many unsolved

problems of Western civilization, social, economic, moral and political.

On June 16th, 1919, the Chinese National Federation of Students was formed at Shanghai. This institution and others allied with it henceforth became the organizing centre of the Nationalist movement throughout China, and it was mainly through their exertions that the movement took definite shape. It was a calamity that the students came under the influence of Bolshevik teachings, which were accepted confidently because the Russian Revolution had given Russia a certain standing in the eyes of Young China and created a glamour that made true judgment difficult.

It is as foolish to deny that the Nationalist movement in China has been corrupted by Bolshevism, or has been affected by Bolshevik propaganda, as it is to assert that the movement owes its existence to Bolshevism. The Bolsheviks were clever enough to seize the opportunity provided by international jealousies and the weak negative policy of Western nations, and so we have the strange paradox of the Chinese Nationalist movement being directed mainly by avowed anti-Nationalists from abroad for their own nefarious purposes. In every area in which the Bolsheviks' Chinese agents have been defeated or discredited, "nationalism" has subsided.

The great ambition of the nationalists is to reduce the foreigner to a status in which he will be subjected to all the tyrannies, impositions and cruelties that still hamper the Chinese people because of the unfaithfulness of the majority of their

leaders. The specious arguments which the nationalists put forward are founded largely on distortions of fact and misquotations of history. Their favourite occupation is to cite the shortcomings of other people as an excuse for their own faults. Banditry in China is compared with armed robberies in Europe; China's judicial corruption is balanced by occasional miscarriages of justice in other countries, and so on. The nationalists will not admit that milk with five per cent. water is very different from water with five per cent. milk.

The slogans of New China are:—

- (a) Cancellation of all existing treaties with foreign Powers, which the Chinese call "unequal" treaties.
- (b) Abolition of Extraterritoriality.
- (c) Return to China of Foreign Concessions and Settlements.
- (d) Tariff Autonomy.

Space does not permit of more than a brief statement of some of the arguments against these demands.

### THE TREATIES

The path to China's rehabilitation, it seems, lies across the dead bodies of the treaties she negotiated with foreign Powers. China's designation of these treaties as "unequal" is absurd, for they were made to establish equality; and they stand as tokens of the equality of Western nations with China. Equality is the main principle of all the treaties—of all the wars with China, although at times it was obscured by local

causes. The men who negotiated the treaties for Great Britain and America were honourable men; such inequalities as the documents contained were due to the fact that the Manchu Government would not accept foreign nations as independent nations and treated foreign traders with the utmost contempt and great injustice. This was carried so far that the majesty of foreign States was involved; and it became imperative to convince China that she was but one of many powerful nations in the world and as such must conform to standards of international behaviour. The treaties were necessary, not only to uphold foreign honour and dignity but also to protect foreign persons and properties. China imposed on foreigners the duty of protecting themselves; now she holds this self-protection as a grievance against them. Indeed, the laws of China when the treaties were signed were not good enough for Chinese nationals. They were so bad that they provoked the Taiping Rebellion.

All the treaties are easily accessible to anyone who desires to read them and need not be summarised in this pamphlet. The first was the Treaty of Nanking, concluded in 1842. The pledges given therein by the Chinese Government were broken by them almost immediately, and subsequent treaties were essential in 1858, 1860, 1869, 1876, and 1897. Great Britain, France and Italy have vital interests in China, and it must be remembered that these interests have been built up entirely on faith in the observance of the treaties that China concluded with them. America, too, has large interests at stake. There are no reasons for supposing that China to-day

will redeem her promises or recognise her obligations more faithfully than she did eighty years ago; and it is unreasonable to expect that treaties on which so much depends should be repudiated merely at the whim of a nation that is so remarkably deficient in national integrity and international courtesy. Great Britain and America have repeatedly expressed their willingness to revise and amend the treaties, when they can negotiate with a Government competent to speak for the Chinese nation.

### EXTRATERRITORIALITY.

This arises out of the Treaties, which are only symptoms of China's real disease. With the exception of extraterritoriality, the privileges mentioned in the treaties are elementary rights enjoyed by aliens as a matter of course in any civilised country. The principle was enunciated for the first time in the Treaty of Nerchinsk or Nipchu concluded between Russia and China in 1689. It is not mentioned in the British Treaty of Nanking, 1842, but is vaguely alluded to in the Trade Regulations signed in 1843. The first clear and unambiguous definition of extraterritoriality, embodying the general principle on which the practice is based, was given by Caleb Cushing, American Commissioner to China, in the Treaty of Wanghai, which he made with China in 1844; and the principle has been incorporated in all treaties negotiated subsequently by foreign Powers.

Extraterritoriality is the system by which the subjects of certain foreign Powers, while living in China, are amenable to the civil and criminal laws

of their own nations as administered in their Consular courts. Germans, Austrians, Russians and Belgians have no extraterritorial rights now. When German rights were relinquished, it was understood that litigant Germans should appear in modern courts only. The Belgian treaty expired quite recently and China refused to renew it. The case of the Russians is interesting. There were many thousands of them in Shanghai, Tientsin and Harbin, all refugees from the Bolshevik holocaust. Many of them had lost all they possessed; others were still wealthy. They were brought into court on paltry or trumped-up charges and subjected to a long process of legalised extortion from which they emerged considerably poorer. There are about 250,000 persons and 6,400 firms enjoying extraterritorial rights in the whole of China. Of these, 67 per cent. are Japanese, 6 per cent. are British and 3 per cent. are American, and 24 per cent. are nationals of Denmark, France, Italy, Mexico, the Netherlands, Norway, Peru, Portugal, Spain, Sweden and Switzerland.

In pre-treaty days the foreigner was subject to the severity of Chinese law and its injustices when arbitrarily administered, but did not enjoy its protection or any of its privileges. Chinese law was formulated from the writings of the sages and regulated for the successful conduct of family and parental authority. The system was eminently adopted to the genius of the Chinese people, but was totally at variance with western ideas. For instance, it took no account of truthful evidence, or of evidence offered by competent eye-witnesses. Strangulation

was the prescribed penalty for homicide and decapitation for murder; and whenever there was a clash between Chinese and foreign nationals the latter stood to suffer the extreme penalty of the law, without any opportunities of producing evidence in their favour. In all there were 16 cases of alleged murder and manslaughter of Chinese subjects between 1689 and 1833, and it was actual experience of the cruelty and prejudice of Chinese courts that convinced the Powers, in the middle of the nineteenth century, that extraterritoriality was a necessity. With the policy of isolating the alien went the policy of extraterritorial jurisdiction, at the suggestion of the Chinese authorities. At first they gladly conceded the privileges because they saw in the system a convenience to themselves, for it allowed the alien communities to settle their differences in their own outlandish ways. Later, jurisdiction over the Treaty Ports—which were outcast colonies in Chinese eyes—was cheerfully relegated to the “barbarian” authorities. It is only in the Treaty Ports that foreigners with extraterritorial rights are entitled to set up places of business and to have permanent residences. This restriction imposes considerable disabilities on foreigners. It is an obstacle to the expansion of trade and has no parallel in treaties between other equal Powers.

Experience has shown that the practice, like all other practices, may be abused: and at times it has caused inconvenience. Most of the objections urged against it by the Chinese are theoretical rather than practical, and their charges are not sustained by facts. Nevertheless, because of the evils

which are inherent and inevitable in the system, Great Britain in 1902, Japan and the United States in 1903 and Sweden in 1908 agreed to relinquish their rights immediately China could guarantee adequate protection and justice for the strangers within her gates. That guarantee is still awaited.

Extraterritoriality has always been regarded as a temporary expedient, but however sympathetic foreign Powers may be, the question must be dealt with as one of fact rather than of principle. The Chinese say that extraterritoriality persists because the Powers concerned are determined to retain the right. They forget, or conveniently disregard the one condition which was specified with all clearness in 1902, that the state of China's laws and arrangements for their administration should be such as to warrant the abolition of extraterritoriality. As matters stand, we are faced by the following cogent reasons against abolition:—

- (a) There is no effective Government in China to ensure security against arbitrary action with respect to life, liberty and property.
- (b) The Chinese have a primitive doctrine of collective responsibility, whereby a group is held responsible for the misdeeds of one individual. On several occasions in pre-treaty days the whole foreign community at Canton was subjected to great indignities because of the alleged misconduct of one person.

- (c) Control of and interference with the Judiciary by the executive and other branches of the Government. Until the Judiciary is effectively protected from interference by either Civil or Military authorities, it cannot function properly.
- (d) Lack of financial support for law courts, of which there are not enough, and for prisons, which are in a most unsatisfactory condition.
- (e) Lack of trained judges and lawyers.
- (f) Diversity of Chinese law and the inability of any Government in the country to enforce the decisions of the courts.

The fact is that since the establishment of the Republic there has been no constitutional background for any improvements. Justice is bought and sold, freely and openly, and there is an increasing tendency on the part of those in authority to disregard both law and order.

In response to the agitation for the abolition of extraterritoriality, a Commission was appointed to investigate all the circumstances of the case. The Chairman was Mr. Silas H. Strawn, an American. There were two other delegates from America, three delegates from China with five secretaries and one from Japan with six secretaries, and one delegate each from Belgium, Denmark, France, Great Britain, Italy, the Netherlands, Norway, Portugal, Spain and Sweden. The Commission opened at Peking in October, 1925, but could do nothing for several

weeks owing to local disturbances. At that time Marshal Chang Tso-lin was the dominating spirit there, but soon General Feng Yu-hsiang gained complete control of Peking and Chang's men fled to the shelter of the foreign concession at Tientsin. Later Marshals Chang Tso-lin and Wu Pei-fu drove Feng from Peking and then Feng's men fled to the same refuge. It was not until January, 1926, that the Commission was able to get to work, and after careful and painstaking investigation for eight months they issued a report in September, 1926. They collected facts which are well known but not admitted by all Chinese administrators and officials. They came to the conclusion that many improvements and changes are necessary in the existing legal, judicial and prison systems before extraterritoriality can be abolished. And they made definite suggestions to that end. They suggested that after the principal items of their recommendations had been carried out, the Powers might begin abolition according to such a progressive scheme as might be agreed upon; and that, meanwhile, with the co-operation of the Chinese, the Powers should modify the existing practice.

It is necessary to add that no facilities were afforded to the Commission to see the workings of any of the police tribunals, and that the Cantonese declined to receive the travelling committee or assist in any way. These facts are significant.

The next step is with the Chinese.

The extraterritorial rights of foreigners in China have been advertised with much verbal afflatus.

Yet the oriental non-Chinese, of various races, in Chinese Turkestan actually live under such an extra-territorial system to-day, to the complete satisfaction of the Chinese authorities. And the Chinese themselves enjoyed extraterritorial rights on the Russian side of the Amur until comparatively recent times, and later insisted on similar rights in Mongolia and Tibet. No Western Power can allow its nationals to suffer under the injustices and hardships which Chinese citizens endure continually, owing to the widespread corruption of their officials and the inadequacy of their laws. Many cases could be quoted, which have occurred since 1918 with Germans and White Russians, of the deliberate miscarriage of justice, showing the dangers to which foreigners are exposed when they come under Chinese jurisdiction. Indeed, the liberty of British subjects in China is much more curtailed than the liberty of Chinese subjects in Great Britain.

#### THE CONCESSIONS.

Before the Treaty of Nanking, 1842, Canton was the only place in China where foreigners were permitted to carry on trade, under degrading and often intolerable conditions. It was these and other indignities that led up to war with China, as a result of which the Nanking and other treaties came into existence.

By the Treaty of Nanking five ports were opened to foreign trade. Fifty-five other ports were opened by subsequent treaties with foreign Powers, and the Chinese Government made available four-

teen more themselves. There are 74 "open places" in China.

At many, but not at all, of these treaty ports areas have been set aside for the business houses and residences of foreigners. They are known as Foreign Concessions and Settlements. Great Britain has five Concessions now, France has four, Japan ten and Italy one. These national settlements are administered by Consuls. There are also seven International Settlements (of which Shanghai is the largest) which are administered by Councils. The Concessions at Shanghai and Tientsin which America acquired were later incorporated with the British Concessions at those places, but Americans freely purchase or lease land and build houses in all foreign Concessions.

The foreign Concessions and Settlements do not coincide with the Chinese cities from which, for convenience, they take their name. Foreigners have never been allowed to own land or property in China. The solution of many of the problems raised by their presence in the country was suggested by the Chinese —to segregate the "uncivilised" foreigners well away from the centre of things, on land set aside for their use and leased to the nation concerned. The Concessions and Settlements were established as a matter of convenience to foreigners and Chinese alike. The idea originated with the Chinese and the land was acquired under legal conditions. Only the most unproductive and worthless land was so set aside. A few low, swampy plots on the Huangpu river were developed into the Shanghai of to-day. Tientsin was a mud flat on the Hai or Pei

river when it was leased in 1861. Shameen in Canton was a bank of silt in the Pearl river and was built up at great cost between stone retaining walls. Now these plots are the most valuable sites in China, entirely through the energy, brains and money of foreigners. Better land can be bought in Chinese jurisdiction, outside the Concessions, for a very small fraction of the prices willingly paid for land within the Concessions. In the Concessions property is purchased or leased by Chinese banks, business men, general, politicians and others, who wish to make their savings or acquisitions secure, and in times of civil war the surrounding Chinese population flock to these havens of refuge from the tyranny and oppression of their own people. China leased the alien ghettos to restrict his movements and curtail his trade activities. She has not opened her country to free residence and trade. The Chinese, therefore, have no legitimate claim upon the control of properties developed by the alien in most adverse circumstances.

Five out of every hundred foreigners in China are British, and there are only 320,829 foreign nationals throughout China, which represents .07 per cent. of the whole population. It follows that most of the population in the Foreign Settlements is Chinese. In the combined foreign areas of Shanghai the Chinese residents outnumber the foreigners by about 37 to 1, and in Hong Kong and the New Territories the Chinese represent over 97 per cent. of the population. The areas that were once set apart as sufficient for the foreigners are now overcrowded by Chinese, and although a large

part of the taxes comes from them by far the greater proportion of the municipal expenditure goes to their benefit. They enjoy the same amenities as the foreigner—sanitation, water, lighting, and police protection. Most of the property is owned by Chinese, who have invested their all in these places solely because of the security and prosperity obtainable under a foreign consulate or municipality. The acquisition of Hong Kong is represented in nationalist literature as the greatest of Great Britain's many imperialistic sins against China. Yet the benefits derived from the Colony have never been jealously guarded for British subjects. Between 80 and 90 per cent. of the property and commercial shares of the Colony are in Chinese hands, and, incidentally, the trade of the island has poured unlimited wealth into Canton and all the commercial centres of the South. There is a moral obligation to these people, no less than to our own nationals, to retain the Concessions until we are convinced that they will be properly administered after they are handed over. The Chinese seem to be incapable of continuing anything begun by Western nations. A case in point is the ex-German Concession at Tsingtao. It was one of the finest Concessions in China when it was returned to the Chinese: now it is wrecked and ruined. On the 19th February and 2nd March, 1927, Great Britain handed back two of her Concessions which were leased by Harry Parkes in 1861, Hankow and Kiu Kiang. According to §6 of the O'Malley—Chen Agreement, the Director of the Municipal Bureau of Hankow is the chief executive officer of the district and *ex officio* the Chairman of the Municipal Council.

He is appointed by the Minister for Foreign Affairs. Since the Chinese took over the Concession there have been six Directors, and one of them was arrested for embezzling funds belonging to the Foreign Ministry. Foreigners living in the ex-German and Russian Concessions at Tientsin have no representation on the Municipal Council. When the British Government recently offered to modify the status of their Concession at Tientsin by admitting a large Chinese representation on the Council and a Chinese Chairman, the value of land promptly went into decline, real estate was thrown on the market and capital went abroad. And land values and other investments in the Japanese-leased territory of Liaotung increased proportionately.

It must be remembered that all these Concessions remain Chinese territory. The land is only leased to the foreign Power, who pays ground rent. Municipal and police jurisdiction are exercised by the Power concerned, and these arrangements passed into the hands of the foreigners through the indifference and neglect of the Chinese authorities towards the "barbarians" with whom they believed they were dealing. Not an inch of Chinese territory outside the Concessions and Settlements has been withdrawn from Chinese control.

It is practically certain, judging by the evidence of the past, that the surrender of the Concessions and Settlements would be followed by immediate loss and destruction. And the expulsion of foreign capital and initiative would result in grave injury to China, for both are indispensable for the rehabilitation of the country. This aspect of the matter

has appealed to several enlightened Chinese. Marshal Sun Chuan Fang, who for a time controlled the Shanghai district, speaking at Shanghai in the Chinese Chamber of Commerce to the merchants and gentry of the district, said: "Whenever I come to a treaty port I feel thoroughly humiliated, not only because a treaty port is a standing reminder of our loss of sovereignty but also because whenever we pass from the Concessions into Chinese territory we feel we are crossing into a different world. The former is the upper and the latter is the underworld, for nothing in the Chinese territory—roads, buildings or public health—can be compared with the Concessions. This is the greatest of our national humiliations, much greater in my opinion than the loss of sovereignty. . . . In recent years the people of China have acquired a national consciousness and with one voice have demanded the rendition of Concessions and the abolition of unequal treaties, but 'empty-mouthed' demands are useless. If we want to have the Concessions abolished we must make the necessary preparations, otherwise even if the Powers hand over the Concessions to us at once, we shall find ourselves utterly unprepared to receive them."

#### TARIFF AUTONOMY.

Tariff was instituted to guard against erratic and excessive taxation. The tariff adopted in consequence of the Nanking and other treaties was approximately the net tariff prescribed by the Emperor of China, without the heavy extras which officialdom had added. It was based upon a uniform import and export duty of five per cent. on

the value of the goods, and the transit duty was fixed at two and a half per cent., which was supposed to free foreign imports and Chinese exports from further taxation while in transit. But the provincial authorities have never ceased to levy *likin*, which is a tax on goods going across boundaries of provinces or barriers established within the provinces.

In the Mackay Treaty of 1902 the Chinese Government recognised that *likin* constituted an impediment to trade and undertook to abolish it and other dues not provided for by treaty, reserving the right to impose a consumption tax on articles of Chinese origin not intended for export. At the same time the British Government agreed to increase the import tax from 5 to  $12\frac{1}{2}$  per cent. and to consolidate the export tax at  $7\frac{1}{2}$  per cent. without *likin* or other transit dues. The Commercial Treaties concluded by China with the United States and Japan in 1903 contained similar provisions. These treaties have remained inoperative because no attempt has ever been made to do away with *likin*, which is a provincial tax and yields no return to the Central Government. Instead of abolishing the tax, practically every militarist is levying heavy taxes of various kinds on trade within his jurisdiction. The right to tax seems to be the great objective of every politician and militarist in China.

At the Washington Conference (1922) it was agreed that China's tariff should be increased by a  $2\frac{1}{2}$  per cent. surtax and 5 per cent. on luxuries, over and above the tariff to which she was limited by treaty with the Powers. All the Powers, except Japan, were prepared to go further if China would

agree to reasonable safeguards. A special Conference was to meet to decide the matter; but the assembly of this Tariff Conference was delayed by France's refusal, until May, 1925, to ratify the Washington Treaty, owing to her dispute with China over the gold franc question. Eventually the Conference opened at Peking on October 26th, 1925. Its object was to bring into force the surtaxes provided for in the Mackay and Commercial Treaties of 1902 and 1903.

When the Conference opened, China pressed for tariff autonomy (or the unrestrained right to tax at will) within three years, for a surtax of 5 per cent. on ordinary goods and from 20 to 30 per cent. on luxuries, and for collection of the surtaxes to commence within three months. In return, the Chinese delegates offered no more than to abolish *likin*—a promise that had been made twenty-three years earlier—on the attainment of tariff autonomy. They maintained that the question of tariff autonomy should be unconditional. The foreign delegates, on the other hand, felt that it should be made dependent upon the fulfilment by the Chinese of the obligations undertaken by them, chiefly in the matter of the abolition of *likin*. After much discussion it was decided that the treaty restrictions should be removed and tariff autonomy come into existence on January 1st, 1929, when the Chinese National Tariff Law would become operative, and *likin* be abolished at the same time. Meanwhile, interim surcharges of from  $2\frac{1}{2}$  per cent. on ordinary goods to  $22\frac{1}{2}$  per cent. on pure luxuries were decided upon, and it was calculated that these surcharges

would produce about ninety million dollars annually, to compensate the provinces for *likin*, consolidate China's unsecured debts and provide the Central Government with a sum for administrative purposes. It would appear that tariff autonomy is dependent upon the conclusion of a Treaty by the Conference. But in the hostile atmosphere in which the Conference sat it was little more than a screen on which events cast their shadows, and it was adjourned indefinitely after months of discussion.

China should have no financial problem: the real problem is the suppression of organised peculation and deliberate betrayal of the people. It is largely through those unhappy causes that China is burdened with a national debt. Excluding the provincial obligations and the Boxer Indemnity—of which Great Britain's share was only eleven per cent.—China's national debt may be put at 150 millions sterling, approximately. Eighty-five millions are usually classified as "secured" because they are repaid from two national assets, the Imperial Maritime Customs and Salt Revenues. The "unsecured" debts, amounting to at least sixty-five millions, of which more than half is owing to foreigners, depend for liquidation on revenues that are manipulated by Chinese administrators and are now entirely unavailable.

The secured debts, of which Great Britain's share is about 39 millions sterling, include the two Fiscal Loans of 1896 and 1898, the Crisp Loan of 1912 and part of the Reorganization Loan of 1913. When the Fiscal Loans were made, on the security of the Maritime Customs Revenue, the Chinese

Government entered into a contract that the Customs Service should remain under foreign supervision until the final repayment of the loans, which is due about 1943. Little more than half the net revenue of the Chinese Customs is set aside for the repayment of foreign loans: the balance goes to the service of the domestic debt and administration. The latest figures show that of a net collection of £12,000,000 per annum, not more than £7,000,000 are required for the foreign debt service. It is necessary here to clear up a few misconceptions about the Imperial Maritime Customs. The Service is not under foreign control. The foreign element was introduced by the Chinese Government because they lost much of the revenues which they should have received through the dishonesty of their own employees. The Inspector-General and the whole foreign staff are servants of the Chinese Government, administering the Department in a capable way. It is the one Department in the country that provides the Government with the only stable revenue it has had for the last twenty-five years, and has accounted for every cent of the revenue collected.

It is not generally known that originally the Customs Service was only responsible that the revenues were collected, without actually collecting them, and accounted for the money to the Chinese Government. Before the Revolution of 1911 the Customs exercised no direct control over the actual revenue, beyond arranging for the correct assessment, according to Treaty Tariff rates, of Customs dues and duties, and accounting accurately to the Government of the amounts thus assessed, for which

receipts were given by the collecting Customs banks to the Commissioners of Customs and by them transmitted to the Superintendents of Customs. The actual collecting, banking and remitting of the Customs revenue were arranged for at each port by the Haikwan Taotai, or Superintendent of Customs, who was responsible to his Government for the safekeeping and disposal of revenue which was certified by the Commissioner of Customs as having been collected. In no case was the collecting bank a foreign one, nor was the selection of it made by the Customs. The selection of the bank, the control of its staff, the currencies in which the revenues should be paid were matters which fell within the purview of the Chinese Superintendent. The revenue returns sent in by the Commissioners of Customs were the touchstone for testing the accounts submitted to his Government by the Superintendent.

At the first sign of the Revolution, which broke out at Wuchang in October, 1911, the Superintendents, who held their appointments from the Manchu Courts, fled to shelter leaving the Customs Commissioners to manage as best they could. The Commissioners regarded themselves as the residuary legatees of the Superintendents and, on the instructions of the Inspector-General of Customs, assumed actual control of the revenue, placing it where possible for safety in a foreign bank. To this arrangement the Chinese Government subsequently agreed, and the Waichiaopu—the Board of Foreign Affairs— informed the Diplomatic Body that the collecting of the Customs revenues at all ports had now been placed under the control of the Inspector-General for the

purpose of meeting the foreign obligations secured on them.

Great Britain's share of the unsecured foreign obligations is less than ten per cent. and is composed principally of indebtedness by railway companies to British firms for materials supplied. British participation in railway development in China took the form largely of supplying rolling stock and other materials, and to a limited extent lending money for construction purposes. Other Powers have obtained railway concessions, which enable them to construct, own and operate for their own profit railways in Chinese territory.

The immediate effect of tariff autonomy in China undoubtedly would be a big increase in import duties which, probably, would be highly discriminative, the discrimination being directed against any foreign nation that happened to be out of favour with the controlling factions of the moment.

A very popular argument with the Chinese in favour of tariff autonomy is that higher rates than those prevailing in China are imposed on Chinese goods entering certain foreign countries. Against this argument stands the fact that the amount levied on imports and exports passing through the Treaty Ports is a flat rate of 5 per cent. on all articles, with a few minor exceptions which the Treaty Powers are willing to increase to  $7\frac{1}{2}$  per cent. or more. While some of the duties in foreign countries are high, a large number of articles are admitted duty-free: China, on the other hand, has a flat rate on practically everything imported and exported, and therefore gains in the aggregate.

## SOVIET IN CHINA.

In the spring of 1920 Soviet Russia was first represented in Peking by agents of the Dalta News Service. The leader was a Russian Jew named Hodroff. He soon established Bolshevik agitators at Shanghai, Canton and other important Chinese cities. Yourin and Shatoff then appeared on the scene and were followed, in 1922, by Joffe, the Soviet's cleverest diplomat, who preceded Karakhan as a half-recognised Soviet Diplomatic Agent. Karakhan made his dramatic appearance in Peking in September, 1923. Diplomatic relations between the two countries had been opened in 1922, and culminated in the Sino-Russian Agreement of May 31st, 1924.

Even within a couple of years the Soviet could claim some results for its destructive work in China, although the doctrines of Communism had not attracted many pronounced adherents. Chan Tu-hsien, an ex-professor of the Peking National University and a prominent convert to Communism, established the "Young Men's Communist Party of China" at Canton about May, 1922. And Lin Yen-chin, the Kuomintang representative at Moscow, reported progress at the Fourth Moscow Congress, which was held from November 7th to December 3rd, 1922. According to the official proceedings, he said: "The labour movement in China this year progressed very rapidly. At the beginning of this year we had the Hong Kong seamen's strike, which lasted more than 50 days. . . . Then came the Peking-Mukden railway strike. . . . There was

a strike in the Iron and Steel works in Hong Kong, in the textile and tobacco industries at Shanghai and another in the mines. All these strikes succeeded each other very rapidly."

Soon after Joffe's arrival he met Sun Yat-sen at Shanghai and converted him to a rabid anti-imperialist, and when Sun got back to Canton in 1923 he reorganized the Kuomintang on the Bolshevik model. Stoianovitch had already been sent by the Soviet to Canton to persuade Sun Yat-sen to accept Borodin as an adviser, and when Sun established his "Nationalist" Government in 1923 Borodin was appointed "Adviser" and soon became "Chief Adviser." Very soon all Nationalist methods duplicated the Moscow Soviet's methods.

Jacob Borodin, whose real name is Michael Grusenberg, is a man with an unsavoury reputation. He first appeared at Canton as an agent of the Rosta News Agency, which circulates all the Moscow perversions of international news. From the arrival of Borodin in Canton dates the beginning of anti-British propaganda in South China. The Russians manoeuvred the British into an utterly false position, by inducing the Chinese to attack the foreigner, by causing strikes in his mills and concessions and boycotting his goods.

In January, 1924, the re-modelled Kuomintang held its first Congress. Three principles were laid down by Sun Yat-sen—Nationalism, Democracy, Socialism. At the Fifth Moscow Congress, held from June 7th to July 8th, 1924, the official report on

China was presented by Comrade Chinwa. The proceedings quote him as saying: "The Communists are beginning to assume the leadership of the Nationalist movement. They have already brought the Kuomintang into contact with the masses, and have introduced the mass idea. . . . The Communists aim at the leadership of both the Labour and the Nationalist movements. In the Kuomintang we aim at developing a true revolutionary mass movement."

A new era began for the Communists in 1925. The Party then could count no more than 3,000 members in the whole of China, although a nucleus had been formed in Peking in 1920. But the Agreement between China and the U.S.S.R. in 1924 let in the Soviet, who lost no time in developing their peculiar institutions all over the country, and early in 1926 the membership of the Communist Party reached 30,000. Since 1925 the Soviet Government has been, in fact, waging war against the Peking Government.

Until June, 1925, there was no definitely anti-British movement in South China. The Nationalist Government, as it is called, was firmly established in Canton by June 12th, but it was not yet functioning as a Red Government. Lenin and piquantly remarked: "To-day China is seething, and it is our duty to keep the pot boiling." It is significant that in 1925 a "Commission on Chinese Affairs" was appointed in Moscow to direct the Chinese revolution. It was an inter-departmental council, with Unschlicht as chairman and Gailis as secretary. During the early part of 1925 several strikes

occurred in Japanese-owned cotton mills in Shanghai. They were aggravated by agitators paid by the Soviet, and the agitation culminated in the unfortunate incident on May 30th, when the mob attempted to rush the Louza Police Station, in defence of which 9 Chinese were killed and several wounded. In the *Izvestya* of June 6th, 1925, Trotsky described the Shanghai riots as "a whiff of Moscow."

The Reds at Canton used the strained situation for their own purpose. The Shanghai affair, they found, was not sufficient to work up the Cantonese against the British and a local incident was arranged to inflame the people. On June 23rd, a large and hostile demonstration of Chinese labourers, students and soldiers, marched in procession past Shameen, the Foreign Concession in Canton. Included in the procession were at least two thousand fully armed soldiers. When the soldiers were opposite Shameen they halted and deliberately opened fire. The fire was returned by the small British and French forces inside the Concession, and there were casualties on both sides. In Shameen 1 man was killed and 8 were wounded and among the Chinese there were 52 killed and 117 wounded, of whom 22 killed and 50 wounded were soldiers. The truth of the case was reversed: the Nationalists proclaimed far and wide that the British had fired first, and so created an atmosphere amongst their own countrymen for the establishment of their government on definitely Bolshevik lines.

The outcome of this incident was the declaration of a strike and boycott against Hong Kong, which

has no connection with Shameen, the latter being independently administered by a Consul-General. This boycott against Hong Kong, it is now admitted, was instituted as a form of warfare against the British Government. As a boycott pure and simple it would not have lasted long, for the Chinese merchants were never enthusiastic about it. It had to be enforced by groups of coolies, who called themselves Strike Pickets and were permitted by the governing authorities in Canton to arm themselves and terrorise the people. The boycott soon resolved itself into a system of intimidation by these pickets, supported by their own court and prison. They were the only ones who profited—and some of them profited largely—by the boycott. The merchants were ruined.

The part that Russia played in the boycott is revealed in some documents discovered in the office of the Soviet Military Attaché at Peking. Resolution (k) in the minutes of the meeting of the Commission on Chinese Affairs held at Moscow on August 14th, 1926, reads: "To confirm the previous resolution that every measure should be taken to call off the Hong Kong strike, to order Comrade Borodin to inform urgently of the reason for which the strike continues and of the measures taken to have it called off." A joint meeting of the Political Bureau and Military Council was held at Canton on the 29th September, 1925. At the meeting Chang Kai-shek, Wang Ching-wei, C. C. Wu and six other Chinese were present, and also Borodin, Rogatcheff and Pereshatoff. In the minutes it is recorded that "Borodin proposed that Wang Ching-wei should as-

semble the representatives of the Hong Kong and Shameen strike committees and give them all necessary explanations to end the strike. Wang Ching-wei explains Com. Borodin's suggestion, and Comrade Borodin explains why it is necessary to end the strike." The reasons are not recorded, unfortunately, but eventually the Nationalist Government intimated that arrangements had been made to terminate the boycott and that then an extra tax of  $2\frac{1}{2}$  per cent. would be levied on all foreign goods. The boycott was officially lifted on October 10th, 1926, after the Nationalist Government had allowed a small but unruly section of its own population to carry on an unofficial war against Great Britain for sixteen months.

The Soviet has played a clever but expensive game in China. It was a game which no Government with the welfare of its people at heart could afford to play. The object was not only to injure the interests of Foreign Powers in China but to dominate China itself. To achieve any considerable results it was necessary to penetrate into the various armies, for as things stand the military element alone represents the majesty of the law, be it good or bad. To this end, Soviet agents from Moscow were attached as "advisers" to divisions, brigades and even units. But the Russian Communist Party, which directs the Communist movement in foreign countries and rules over the immense Russian state through the council of the Peoples' Commissars, soon realised that propaganda by itself was not equal to the task of convincing the Chinese of the blessings of Communism. The first method adopted, of

approaching the Chinese Commanders through moral suasion, had very little effect. An insignificant but characteristic fact is that one of the Russian advisers attached to the 2nd Peoples' Army wrote: "Up to to-day I have been given my dinners though they were bad ones, but to-day I was refused even this meal and told that the supply section had ordered no dinner for me. This is an excellent proof of the way in which I am treated here." And Stepanoff, in his confidential report to the Russian Communist Party on General Chang Kai-shek, said: "In seeking the same purpose he uses us and the Chinese communists, but only as long as we can assist him and are useful to him." It was necessary for the Soviet to adopt a scheme ensuring the material dependence of the Chinese commanders on the Soviet Government.

Considerable light has been thrown on the methods of the Bolsheviks, and the cost of their campaign, by the documents that were seized when the Peking Metropolitan Police raided the premises occupied by the Soviet Embassy, on the 6th April, 1927. Most of the incriminating evidence was found in the office of the Soviet Military Attaché. A few documents may be mentioned here.

It was not long before Feng Yu-hsiang, the famous "Christian" general, fell under complete economic dependence to Soviet Russia. In May, 1925, the Soviet signed with him an agreement whereby he was to receive money and munitions of war in exchange for the Soviet's right to spread propaganda undisturbed in the districts under his

control. We learn from a report from Seifulin, dated April 19th, 1926, on the work of the Soviet military mission with Feng's army, that between May, 1925, and April, 1926, arms, ammunition etc., to the value of six million gold roubles were sent to Feng's army, free of all cost, to cement these friendly relations. The supplies consisted of canon, trench-mortars, rifles, ammunition of all calibres, swords, spears, hand-grenades, explosive, incendiary and chemical bombs, bomb-throwers, gas-masks, flame-throwers, aeroplanes, field telephones and cables. The Soviet staff budget for the first half of 1925-6 showed an expenditure of gold \$299,070.00 for schools and "advisers" attached to the 1st, 2nd and 3rd Peoples' Armies (Kuominchun), more than half being allowed for the 1st Army which was directly under Feng. In August, 1926, Feng Yu-hsiang signed two receipts, amounting to 10,897,641 gold roubles, for arms and ammunition supplied to him by the Soviet at very favourable rates, after their present of six millions worth. Feng agreed to repay the debt to the Soviet Government "at its first demand and in the manner prescribed by the Government of the U.S.S.R."

The Bolsheviks obtained remarkable results in Canton. The correspondence relating to Canton supplies which was seized is less extensive because Borodin, who was in direct subordination to Moscow, often applied to Moscow without informing the Soviet Military Attaché at Peking. We have, however, a telegram dated July 4th, 1926, from the Military Attaché at Peking to General Gallen (whose real name is Blucher), the Chief Military Adviser to

the Canton Government, informing him that up to December 1st, 1925, 2½ million gold roubles worth of arms and ammunition had been supplied to Canton, and that, exclusive of the articles supplied subsequently, two millions worth were then concentrated at Vladivostock. And on August 27th, 1926, the Military Attaché informed Borodin that cartridges, shells and powder to the value of 564,148 gold roubles had been forwarded to Canton, and also spare parts and ammunition for 15 heavy guns.

In the month of February, 1927, gold \$64,772.27 were spent on the salaries of Soviet instructors in China. Few of them received more than \$200.00 a month, and many not so much.

Borodin planted nuclei of the Russian Communist Party all over China, and carried on his organization in the south to the extent of duplicating the infamous Cheka, where suspicion is equivalent to a sentence. The first attempt in this direction was made in December, 1925, when Nicolai Volin and Petroff arrived at Canton and set to work as Cheka agents along conventional lines. But General Chang Kai-shek had them deported. Early in 1927, by which time the Nationalist Government was functioning energetically with Borodin holding the exalted title of "Supreme Adviser" or "Tutor-General," Petroff returned and many Cheka agents were imported from Russia, their names and passports being changed in a forgery mill at Harbin. Petroff is a Polish Jew whose real name is Glore. He established branches of the Cheka at Hankow, Wuchang, Changsha and Nanchang. The "Chon"

or bodies of armed Chinese communists who execute the orders of the local Cheka, are responsible for the complete disappearance of many wealthy Chinese, suspects and "enemies" in such a way that the community was duly terrorised.

The Peking police secured a very large quantity of documents in various languages, which have not yet been thoroughly sorted and translated. But already there is abundant evidence of the far-reaching activities of the Soviet's various organizations in China. Unfortunately a great mass of conclusive evidence was destroyed at Shanghai and Hankow. In Shanghai the bulk of the evidence was destroyed when the Soviet Consulate and Dalbank were picketed. In Hankow Borodin and others burned everything that might be incriminating during the panic in May, 1927, when all preparations were made for flight.

There was a violent Communist outbreak in Canton in December, 1927, when the Communists, reinforced by local bandits and some peasants, seized the place. For three days—from the 11th to the 13th of the month—they looted, burned and killed freely, causing considerable loss of life and property, before they were ejected, with heavy casualties, by government troops. The horrors of the time, perpetrated under the direction of Red Russians, have been fully described in newspapers. H.M.S. *Moorhen* rescued 81 Europeans from the Eastern suburb, viz., 11 British, 15 Americans and 55 Germans. It was correctly reported earlier in the month that a Russian vessel with a large consignment

of rifles and ammunition and about 300 Russian officers was nearing Canton from Vladivostock, and according to the Nanking Government's official news agency a Russian named Kovchek arrived in Canton from Shanghai shortly before the outbreak and summoned a conference, at which it was decided to establish a Soviet Government in Canton.

### CONCLUSION.

The internal difficulties of China have acquired a world-wide importance. Many who call attention to the evidence seem to lose sight of its meaning; and it becomes increasingly necessary to emphasise the clear significance of admitted facts, particularly for those misguided Westerners who are eager to believe that Western enterprise in the Far East has been wholly villainous. But the task is not easy, even without limitations to space. The various parties in China are like an orchestra in which all are playing industriously without reference to one another or to any score. The result is that events are crowding so fast on each other's heels that any account of immediate happenings is out of date almost as soon as it is written. No more than a broad survey of established facts is attempted in this pamphlet.

Great Britain's policy throughout her intercourse with China has rested on her first and paramount interest, trade. She has never attempted to found even the beginnings of an empire in the Far East. The Boxer Rebellion was an occasion when territorial aspirations might have been

carried to material results; but Great Britain refused to acquire territory for herself or to countenance the acquisition of territory by any other Power. She desires no more than a settled administration, and is ready to accept any form of Government chosen by the Chinese provided it is a Government and is stable. Proof of Great Britain's friendly attitude lies in the fact that the subject of politics in the Pacific was placed on the agenda of the Washington Conference at her initiative; and her delegates attended that Conference with the desire to place her relations with China on a better footing. The British Government has been honest to the point of stupidity and has endeavoured to act up to the Resolutions of the Washington Conference and to its engagements with other Powers. This is demonstrably true. Great Britain has steadfastly adhered to a conciliatory policy in China in hopes of reaching a lasting settlement. But all her efforts have aroused international suspicion and, in China, whole-hearted antagonism. One hundred per cent. is a figure that admits of no modification. It has become the fashion to denounce England as the leading imperialistic and capitalistic Power and to make her the target of calumny and abuse. Only six per cent. of the foreigners with extraterritorial rights in China are of British nationality, yet Great Britain is singled out and the British "imperialist" blamed for all abuses. This is only one of many instances in which the Chinese have seized on one aspect of the situation and magnified it out of all semblance to reality, freely misquoting history for purposes of subversive propaganda.

It was fitting, then, that Great Britain should be the first to face the realities of the crisis in China's relations with the Powers. On Christmas Day, 1926, the British Goverment published a Memorandum addressed to the Washington Treaty Powers, which proclaimed, in no uncertain terms, the nation's view of what the policy of the Powers should be with regard to China. The Memorandum distinctly stated that the Powers "should expressly disclaim any intention of forcing foreign control upon an unwilling China. . . . and recognise the essential justice of the Chinese claim for treaty revision" and "her right to the enjoyment of tariff autonomy." Great Britain also made definite proposals in accordance with this policy. One proposal was that the Powers should modify their strict insistence on treaty rights; another was that the Powers should agree to the immediate and unconditional grant of the Washington surtaxes. The international reception of this document was by no means enthusiastic. It was marked by caution on all sides and by hostility as well in some countries.

In dealing direct with China Great Britain made offers which were friendly and sincere, and would have convinced any but a prejudiced and hostile nation of the British desire for peace and goodwill. Sir Austen Chamberlain, the Foreign Minister, speaking at Birmingham at the end of January last, said: "We are ready to meet China half-way, and to relinquish our rights proportionately as the Chinese Government assures Britishers of the enjoyment of ordinary rights of foreigners in their country."

"As regards the Concessions" he said, "we are prepared to enter into local arrangements according to the circumstances of each case, either for amalgamation or administration with the adjacent areas under Chinese control, or other method of handing over the administration to the Chinese, while assuring British communities of some voice in municipal matters." It is to be observed that Sir Austen Chamberlain's statement of British policy in 1925 was the same as Lord Aberdeen's statement of British policy in 1831: to secure from China a fair deal without any exclusive privileges. At the opening of Parliament in February, 1928, His Majesty the King said: "The position in China has so far improved to permit large reductions in the naval and military forces sent to protect British and Indian subjects in the Concessions, but the internal disturbances and civil wars and the consequent insecurity of life and property, both Chinese and foreign, still cause anxiety. Despite these discouraging circumstances my Government adhere to their declaration of policy of a year ago, as the basis upon which they are prepared to meet Chinese aspirations and when the Chinese can assure satisfactory protection of British lives and property." In the House of Commons, in the course of the debate on His Majesty's Address, Sir Austen Chamberlain made a statement on foreign affairs. He reaffirmed that British policy is animated by goodwill and friendship towards China in its aspirations. It is most difficult, he said, to carry out this policy while the Chinese are unable to provide a stable and settled Government, but we have made progress. Great Britain does not object to tariff

autonomy based on an uniform national tariff, which does not discriminate against British merchants and is administered fairly. We are ready to apply the existing modern Chinese civil and commercial codes in the British courts, but as the Chinese codes are in no way complete it is hardly possible to make further advance in the direction of a surrender of our existing rights while the system is still half-complete and is suffering from a division of authority. The third branch of the programme is the surrender of our special rights in British Concessions. Sir Austen wished he could give a more satisfactory account of the state of affairs at Hankow and Kiukiang since the surrender of those Concessions. The chaotic civil war has impeded the Chinese in efficiently discharging the obligations devolving upon them from the moment we had surrendered any of our privileges. He could only watch the development of affairs and proceed with our policy as circumstances might render further progress possible. He regretted the failure of any Chinese authority thus far to give satisfaction for the outrages at Nanking. Even at the present moment, Chinese troops wrongfully and unlawfully occupy a British Consulate.

A few words may be said in elucidation of Sir Austen Chamberlain's references to Hankow, Kiukiang and Nanking. Within a few weeks of the issue of the British Memorandum in December, 1926, Great Britain had either to fight for her Concessions at Hankow and Kiukiang or surrender them gracefully. In pursuance of her policy of studied moderation she chose the latter course.

Responsibility at those places then passed into the hands of the Chinese. It was a responsibility which the Nationalist Government declared itself fully able to undertake. The deplorable results we all know. The Nanking outrage of March 24th, 1927, is a stain on China's escutcheon that requires considerable burnishing. Mr. Eugene Chen, then Foreign Minister to the Nationalist Government, unhesitatingly denied all responsibility on the part of his Government. Yet seventeen American missionaries resident in Nanking on March 24th, issued a lengthy signed statement to the Press on April 12th, in which they said: "Out of our own first-hand experience and observation, the outrages at Nanking were committed by armed Nationalist soldiers in uniform, who acted with the knowledge and approval of their superior officers. The outrages consisted not only in the looting and burning of foreign homes, Consular offices, schools, hospitals and business premises, but also in deliberate murder, shooting and seriously wounding a young American woman, shooting and attempting to kill foreign men, women and children, attempted rape and other shocking indignities on foreign women too indecent to be published. To many of such we can bear sworn testimony as eye-witnesses, and numerous other cases have been proven beyond the shadow of doubt. From statements of many Nationalist soldiers made to us, and from the testimony of Chinese friends, it is an established fact that the Nationalists entered Nanking with definite license, if not under actual instructions, to rob and kill foreigners. It is our conviction that the firing from the naval vessels prevented the

murder of many foreigners who were caught in the city. Immediately the shelling began, bugles sounded and the soldiers ceased their systematic work of destruction, thus demonstrating that they were under the control of their higher military officers. These are incontrovertible facts. It now seems to be a well-established opinion among Chinese and foreigners that those responsible for these outrages are of the Communist wing of the Nationalist Government, which is dominated and directed by Russian Bolshevik advisers."

A few days later a group of missionaries, mostly American, issued an important statement to their "Chinese friends," which was published in Shanghai. After pointing out that the signatories were among those who protested, on February 18th, against the use of force in China, had favoured equal treaties and were against a "gunboat" policy, the statement continues: "We favoured the return of the foreign Concessions to China; but to-day the International Settlement (at Shanghai) is our only refuge. We assured our home countries that the 'Nationalists' were not anti-Christian; but now we are driven from our homes and dispossessed of our property. At Nanking, on March 24th, we depended on extraterritoriality or foreign protection. We trusted the Nationalists' assurance; but events have shown that our faith was not justified. In all these matters the facts of the situation flatly contradict our words. Everything we have said on behalf of the 'Nationalists' has been made to appear false." The statement reiterates that "it was the 'Nationalists' who looted, burned, murdered and raped on

a premeditated and preconceived plan with the permission of their officers. . . . We have used our influence in presenting to the other nations China's legitimate claims, but candour compels us to state that the time has arrived when securing equality in the family of nations rests more upon China's own efforts than upon foreign Governments."

Such is candour's scathing indictment. The signatories of the document quoted above were constrained, by very unpleasant experiences, to corroborate the opinion of America's delegate to—and Chairman of—the Extraterritoriality Commission, Mr. Silas H. Strawn. "I have thus far seen no convincing evidence that China's present-day troubles are in any degree attributable to the so-called unequal treaties and the imperialistic attitude of foreign Powers. On the contrary, the evidence seems to be overwhelming that the troubles of China to-day are internal rather than external, and that unequal treaties, extraterritoriality, tariff autonomy and imperialism are political slogans which are availed of by the agitators to excite the people of China into a frenzy of criticism and unrest."

The peaceful gestures made to China by foreign Powers during the last few years have been acknowledged by a series of insults, violations of treaties, repudiations of debts, and declarations of "rights" that are based on interpretations of foreign obligations made by mendacious Chinese apologists for the anarchy in their own country. There have been attacks upon foreigners in a manner that is suggestive of a savage rather than a civilised coun-

try. Property worth many millions has been either abused or destroyed. Buildings have been burned out of pure malice. Even hospitals have been dismantled and looted. Floor boards, window and door frames have been torn out and pianos chopped up for firewood. War cenotaphs have been defiled. At Chekiang a graveyard in which the missionary martyrs of the Boxer Rebellion were buried has been desecrated, the tombstones broken and the bones dug up and scattered. The British Consulate at Nanking is used as a cholera hospital, and the dead are buried in the grounds. The Nationalist soldiers who were supposed to be guarding the safe in the American Consulate at Nanking forced it open and stole the contents, including some very old family silver belonging to Mr. J. K. Davis, the Consul. These are the manifestations of "Nationalism" that China offers for the delectation of the West. Fortunately for China, the Nationalist movement has not touched the many millions of simple folk in the interior. So far as it may eventually become a really national and patriotic movement it is worthy of all sympathy and respect; but Nationalism in China, unlike Nationalism in the West, was not born of a desire to perpetuate honourable national traditions. The zeal of its exponents has been directed into wrong channels, and the Nationalists have been made the willing tools of agencies that usurp the noble name of patriotism to cover their unscrupulous and revolting activities.

While the dispute between China and the Powers has been variously estimated, the balance of sympathy abroad is with the Chinese. Much

of the misplaced sympathy is due to ignorance on the part of the general public in Great Britain, America and Europe. Foreigners in China are not deceived. The propagandists' stories of internal progress and national aspirations are very plausible on the face of them, while many actual conditions are so fantastic, so altogether beyond reason, that they are incredible to people not resident in China. China's utter inability to run her public services without foreign aid, to prevent flagrant misappropriation of public funds and the imposition of illegal taxes, to check the horrors of civil war, to suppress banditry and maintain order within her borders, all these facts are carefully suppressed, or, if they happen to be mentioned are countered by loud complains against "imperialism," "unequal treaties" and other chimerical evils. It would seem that the ghastly poverty and absolute tyranny of China's masses, the slaying of thousands in her meaningless civil wars, the drowning of thousands in China's preventable floods, the starving of thousands in China's avoidable famines, are trifles not worth mentioning.

China's great claim is for the cancellation of all rights granted to foreigners during a century of intercourse. Millions upon millions of value which have been built up by foreigners with foreign money in Hong Kong, Macao, the Leased Territories and Concessions, are to be turned over to China without compensation or guarantees of any sort. Young China argues that neither compensation nor guarantee are to be considered, as foreign rights and properties in China arose through war and subjugation.

tion and must be surrendered, more or less as a penalty for the wrongs which foreigners are alleged to have committed, chiefly, it would seem, by defeating China at arms and thereby obtaining from her treatment as equal nations. Foreigners of the present generation, therefore, must restore what their ancestors seized. But China will continue to enjoy the benefit of her ancestors' rapacity. For what is China's claim to the Amur Province, Manchuria, Mongolia, Formosa, Burma, Tibet? And did not Cheng Ho, in the fifteenth century, wander far afield with a large army—to Cochin China, Sumatra, Java, Cambodia, Siam, Ceylon, etc.—suppressing the countries that refused to pay tribute to his Emperor? The Chinese first met the Portuguese in Malacca and the Spaniards in the Philippines, not in China. Although China's claim, theoretically, is against all foreign Powers, in practice the demands have been confined to Great Britain, who has already surrendered two of her Concessions. France has 4 National Concessions in China, Japan has 10 and Italy 1. Yet none of these Powers have been asked to cancel their rights nor do they intend to do so. The position is inconsistent, and if China is able to justify her sweeping demands according to her own moral principles she must not be surprised if her sincerity is doubted when she talks about equality and fair-dealing.

The real friend of China is not the person who always tries to vindicate China and assumes vicariously the sins of foreigners. Sin and selfishness are not peculiar either to the West or East. No lasting good can be achieved by presenting China's

case in an inaccurate and sentimental manner. The time has come for plain speaking, and the truth on both sides must be told. Where the Chinese are obstructive and fail to live up to their international duties they should be told of their short-comings and held responsible for them. When a foreign Power is taking advantage of China's weakness and pursuing a selfish policy, no chauvinistic patriotism should keep us from admitting the fact and attempting to make amends. As matters stand, it is necessary that there should be limitations to China's judicial and fiscal autonomy. The system of unequal treaties, which is held to be the root of the evil, was not of our choosing, and the Chinese cannot properly refuse responsibility for the existing state of affairs which, really, is due to their own governmental incapacity.

Great Britain's duty is clear: she must protect her nationals. At considerable expense she sent out the Expeditionary Force which, by its potential power, saved Shanghai from the fate of Nanking. She would breathe life into the dry bones of her Memorandum to the Powers, not by the use of arms but by inspiring confidence in her honest intentions and reciprocal goodwill. It is difficult to set a time for the realization of her policy, but she looks forward with patience to the hour when the Chinese will realise that Great Britain can be a staunch friend if she is treated fairly, and will not be deflected from her purpose by bluster. Meanwhile, it is for the Chinese to ponder over the wise words of Professor Hall: "The most perfect constitution possible in human government can degenerate into

a mere instrument of tyranny and corruption unless the people possess the will to rule and enlightenment without which all democratic government is a farce. The two constitutional virtues most needed to-day are a thorough political education and a high sense of public morality."

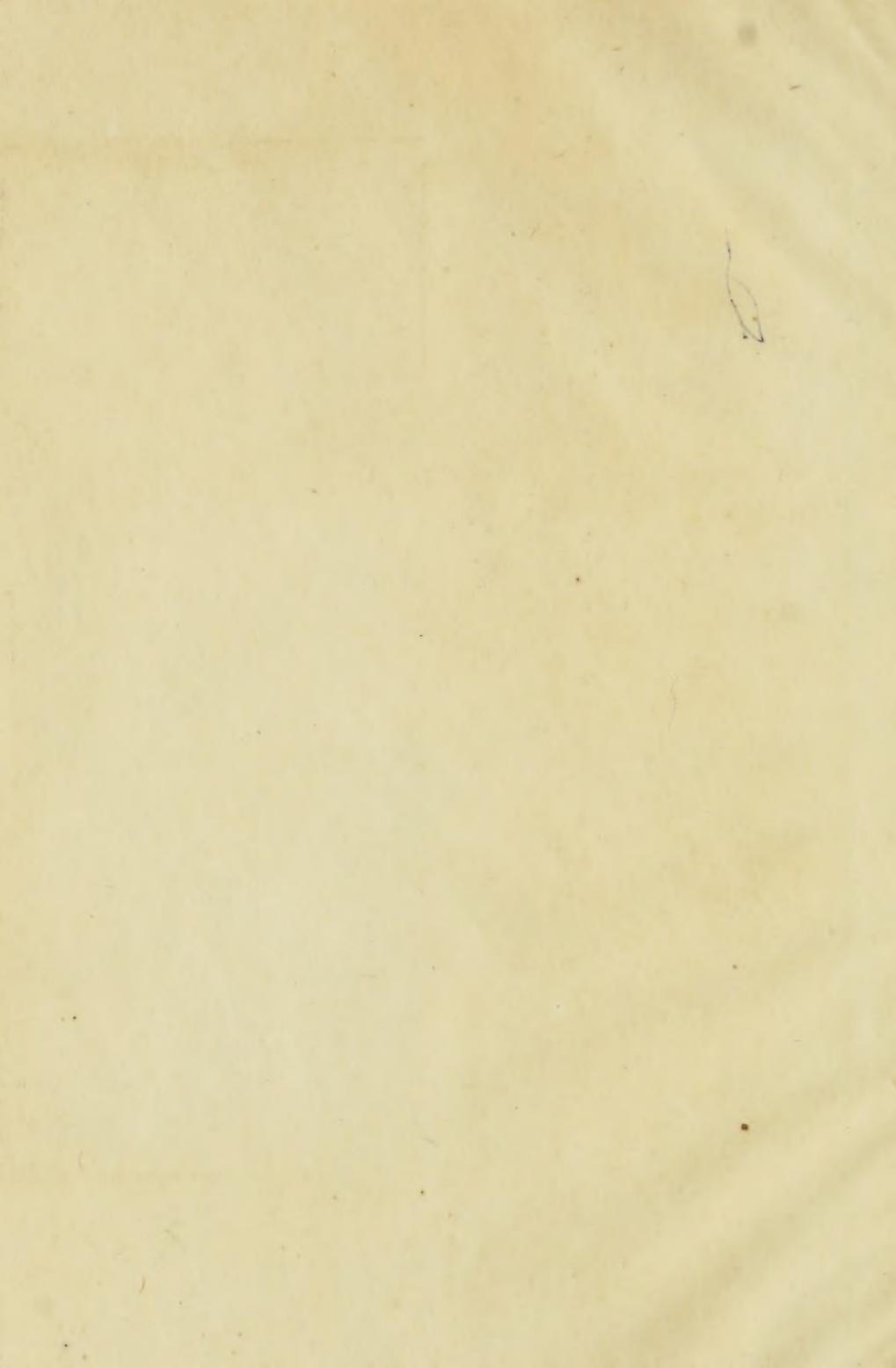
A. G. M.











University of Toronto  
Library

DO NOT  
REMOVE  
THE  
CARD  
FROM  
THIS  
POCKET

242412  
M 111h

Author [M., A.G.]

Title Hong Kong. Ed. 3.

Acme Library Card Pocket  
Under Pat. "Ref. Index File"  
Made by LIBRARY BUREAU

UTL AT DOWNSVIEW



D RANGE BAY SHLF POS ITEM C  
39 14 02 14 13 006 3